





LOMBARD

# Living and dying by the rule-book

BY C. GORDON TETHER

THE FT READER who attempted to inject some realism into the "Prentice affair" last week by pointing out in our correspondence columns that all the Newham Labour Party had done was to get rid of their MP by the same method as he was elected by was also pointing out a form of hypocrisy that is regrettably becoming increasingly fashionable in this country. It takes the form of holding the functioning of established systems to be unacceptable when—but only when—it inconveniently produces results that one does not happen to like.

"I do not recall any outcry by the media when Mr. Prentice was selected by the party committee," our perspicacious reader wrote. And after pointing out that it would, therefore, be more appropriate for those who deplore Mr. Prentice's treatment to attack the selection rules rather than the small number of people who have used them, he went on to argue that until these rules have been suitably revised, those who live by the rule-book should be prepared to die by it.

The logic is clearly unassailable. When members of the Newham Labour Party Committee announced that their candidate in Mr. Prentice had dwindled to such an extent that they would not be prepared to go into battle at the next General Election, the members of the party were throwing down a challenge to the democratic system—not even if it can be demonstrated that their views are not shared by a majority of the members of the constituency party, by Newham voters in the round.

## Moderacy

They were simply giving notice that, next time round, they will be availing themselves of the right conferred upon them by the present selection procedure to choose somebody other than Mr. Prentice as their candidate.

Does the fact that the committee's behaviour has nevertheless precipitated such an uproar indicate general inability to perceive this simple truth? Or is it only that its members have committed the not readily forgiven sin of operating the system to produce a result that is not to the taste of the currently fashionable cult—moderation—Mr. Prentice being one of its high priests?

It is pertinent to recall in connection with a very different story it was when some of the Tory constituency candidates decided to draw the attention of MPs who had identified themselves with the anti-Market cause during the so-called "Great Debate" in 1972 to the need to

get into line with the leadership's pro-Marketism. Since the pro-Market Press did not consider the endeavours to be at all a bad thing, there was no outcry on this occasion about MPs not being made to suffer for their views. In consequence, many of the afflicted politicians were instant victims of constituency shot-gun conversations.

What this contrast shows is that attitudes to the present method of choosing MPs tend to be very much according to the acceptability or otherwise of the results it happens to be throwing up at the time. The same applies in relation to many other procedures that have been the subject of periodic outcries in recent years. The "block vote" mechanism operated by the trade union movement is a case in point.

Thus during the referendum campaign, we frequently heard pro-Market trade union dignitaries maintaining that the block vote had greatly exaggerated the extent of anti-Market feeling among workers. How many of them had thought fit to deplore the way it worked when it was producing the decisions they happened to want?

## Hypocrisy

There is increasing indulgence in the same kind of hypocrisy in relation to the functioning of the Parliamentary system. Tory leaders are often heard maintaining that the Government has no right to proceed to further nationalisation when there is abundant evidence that the great majority of British people are against this—for example, in the fact that well over half the votes cast in the latest election went to parties identified with anti-nationalisation attitudes.

Yet the fact that some of the policies they themselves were pursuing while in office manifestly lacked majority support in the country at large was not then seen as constituting a major objection to pressing on with them.

It is, no doubt, possible to make out a case for reforming the present procedures for selecting Parliamentary candidates, for making trade union voting more meaningful and for re-casting the constitutional system in such a way as to enable the public to maintain a closer control over what goes on in Parliament than it can do now.

It is dishonest, however, to exploit the alleged inadequacies of existing systems for the purpose of grinding grudge axes while being quite happy to allow these systems to produce results that are desired. And nothing will do more to encourage the growth of public cynicism.

CRICKET: SECOND TEST

BY TREVOR BAILEY

# England face problems of time and wicket

AFTER two very exciting days in which each team had suffered an early collapse before regaining respectability thanks to fine rearguard actions—in Australia's case a highly improbable one—the third day proved something of an anti-climax in terms of entertainment.

England ground their way to 230 for 2, with a first innings 315 against Australia's 268, gives them a lead of 277. With two more days left Tony Greig's team should not lose, although unless the wicket deteriorates rapidly, or the weather comes to their assistance, they could have problems bowling out Chappell and company again in the time available.

Edrich and Wood provided the solid start against Lillee and Thomson which has been missing from most recent Test matches. They settled on a policy of survival, knowing that if it succeeded, runs would come, albeit rather slowly.

## Loss of Steele

In mid-afternoon with 111 on the board Wood departed for a conscientious 82, featured by the occasional crisp cut. This brought in Steele to join Edrich, who was chugging steadily along in his own highly-individual fashion. He quickly settled down on this method, but it was not long before he was brilliantly caught and bowled off a full toss from Walters, who somewhat oddly

had been ignored until entrusted with the second new ball. Edrich reached his chanceless century and, together with Amis, who avoided a pair with out much trouble, will be available to lead a more positive onslaught against the enemy this morning.

## Pace deadened

After the Edgbaston massacre and the way the MCC were outplayed last winter it is most pleasing to see a scoreboard reading 230 for two and that most feared trio of Lillee, Thomson and Walker sharing one wicket between them after a full day in the field. However, it would be unwise and foolish to allow euphoria to take over and to imagine, either that our batsmen have definitely discovered the secret of playing speed, or that our selectors have suddenly conjured up a great side.

The English selectors, although they would have liked a few more runs in the afternoon and evening sessions—even at the cost of a couple of batsmen—must be well pleased with the performance of the side and its new captain.

Apart from the certainties, like Greig and Knott, Steele provided much-needed variety. Wood batted well. Edrich impressed and Snow bowled beautifully, making his exclusion from the last Australian tour all the more incomprehensible.

occasionally one encounters what is a contradiction in terms, the ultra perfect wicket which is too good, because it can reduce great bowlers to impotency—with the possible exception of the class wrist spinner—while even numbers ten and 11 have to be dug out.

Fortunately for spectators at Lords there were two outstanding opening spells from Snow and Lillee, but if England had batted in their first innings as they have done so far in their second, the game could very well have now been drifting towards a high-scoring draw, like that fourth Test against the Australians at Old Trafford in 1964 when only 18 wickets fell in five days.

One criticism that might be levelled at the present pitch is that it is too slow for all types of bowling and therefore ideal for the watchful, grafting batsman.

The English selectors, although they would have liked a few more runs in the afternoon and evening sessions—even at the cost of a couple of batsmen—must be well pleased with the performance of the side and its new captain.

Apart from the certainties, like Greig and Knott, Steele provided much-needed variety. Wood batted well. Edrich impressed and Snow bowled beautifully, making his exclusion from the last Australian tour all the more incomprehensible.

RACING

BY DOMINIC WIGAN

# Mercer makes sense at Bath

NO JOCKEY has enjoyed anything like such a fine record at Bath recently as Bunting's Joe Mercer, and I am confident that the popular Newbury-based jockey will add to his score on the Somerset track to-day.

His best chance appears to lie with Sir Michael Sobell's two-year-old *Durbar*, who goes for the Evershot Plate. This chestnut colt by Native Prince out of the Princely Gift mare, Floral Gift, was far from disgraced on his debut when taking fifth place in a field of 13 behind Maymoot at Salisbury in June. He ran well again at Kempton three weeks ago, running Ginger Kait to three lengths in the competitive six furlong Willow Plate.

*Durbar*, who showed distinct signs of greenness in the Kempton race, will be well suited by the additional furlong

here and I cannot see him failing.

The consistent Sobell, who ran *Durbar* to his better first season performers, Island Degree, to three lengths in a 14-runner Chester event on July 12, should beat comfortably the only remaining runner, My Candy, for second place.

A second probable winner for Mercer, whose partner *Bunting* is now a clear favourite ahead of *Allez France* for the "Arc," is another Harn representative, *Atalaz*, among the runners for the Westgate Stakes.

Lady Beaverbrook's smart handiapper has failed this time to run up to his best form of last year but he appears leniently treated with 8 st. 6 lbs and can regain winning form by outpacing the course winner, *Longacre*.

Nick Vigors, whose game filly, *Blackette*, was caught by *Hail the Pirates* only in the final couple of strides of the PTS Laurels at Goodwood on Saturday, could have better luck at Ripon to-day with *Sovereign* in the valuable York Nursery Stakes.

The Upper Lambourn Juvenile appears to be leniently treated with 7 st. 13 lbs and he can open his account by outpacing *Shakran*.

**BATH**  
2.45—Durbar—  
3.15—Queen of the South  
4.15—Atalaz—  
4.45—Maddelena

**RIPON**  
3.00—Philmarie  
3.30—Sovereign Light  
4.30—Silver Tinkle  
5.00—Darle

YACHTING

BY ALEC BEILBY

# British Admiral's Cup team good in parts

COWES, August 3.

COMPARISONS BETWEEN the British and the Admiral's Cup series are obvious but the British team, with Ron Ames's *Norwema* first, Robin Aisher's *Yeoman* XX 13th and John Prentice's *Battillery* a sad and costly 35th in the overall results, was not the only one to suffer from the price of a poor performance by one of the team.

The 230-mile Channel Race counted for double points when compared with single points for the forthcoming inshore races and triple points for the 600-mile Fastnet race.

Crosses of varying weights were distributed through the fleet and even the Americans, who take the initial points lead in the series, had to count a 21st from Ted Turner's *Tenacious* while Ted Hood's *Robin* finished third and Jessie Phillips' *Charisma* fourth.

The Germans who are the holders of the cup finished with Willi Ilbrück's *Pinta* 5th, Hans-Otto Schumann's *Rubin* 8th and Peter Labinus' *Duvz* 19th, when one remembers that their yachts carry almost identical handicap ratings, shows how costly even one small error or problem can be.

In fact, their entire team finished within 20 minutes of each other in the early hours of today but, in spite of problems of their own, it was the Americans, who lie third on points, one place ahead of the British, who turned in the most consistent result as a team with Peter Kurt's *Love* and War 9th, John Kahlbretzer's *Bumblebee* 10th and Ted Kaufman's *Mercedes* III 14th.

Early in the race, as the fleet headed up channel in an easterly breeze to the Royal Sovereign light tower, it seemed that while *Bumblebee* actually led the way for the 57 Admiral's Cup yachts it was *Yeoman* that was making the running on handicap.

Australia's *Mercedes* had tangled with lobster pots off Selsey, being pulled up dead and losing the heads off both her spinnaker impellers.

## Reutemann wins German Grand Prix

NURBURGRING, Germany, August 3.

ARGENTINA'S Carlos Reutemann, driving a Brabham, won the German Grand Prix to-day, helped by a scorching sun that held back or eliminated other favourites.

Reutemann covered the 188.53 miles at an average speed of 117.63 mph.

Jacques Laffite, of France, in a Williams, finished second, more than one-and-a-half minutes behind, while Niki Lauda, of Austria, came in third.

Battillery's problems began before the starting gun had

Tennis

# Juniors unlikely to scale heights

By John Barrett

THE FIRST of this year's national junior tournaments, the Green Shield Grass Court Championships, was concluded at Devonshire Park, Eastbourne, on Saturday, with little to suggest that British tennis is about to conquer new peaks of achievement.

On a perfect cloudless summer's day, without even the troublesome wind that often disrupts rhythms at Eastbourne, we had two complete victories, but both were strewn with errors, lacking in flair and inhibited by the tension of the occasion.

First, Linda Mottram of Surrey, two months after her 18th birthday, survived three match points against her 10th game of the second set before racing away to a 3-7, 7-6, 6-0 victory against her old rival Michele Tyler of Kent. Then another Kentish representative, Philip Bourdon, the 8th seed, held his nerve in a fragile final set and allowed unseeded Peter Littlewood of Middlesex to lose the match 6-1, 6-7, 6-2.

The girls' final was the sixth meeting this year between Linda Mottram and Michele Tyler and Miss Tyler, the younger by 15 months, had previously won only one set. She started nervously on Saturday and was soon 1-3 behind, but then suddenly seemed to sense that Miss Mottram was herself inhibited by the pressures of being the favourite. Miss Tyler broke back in the sixth game, lost her own serve in the ninth, but then broke twice to string three games together and win the opening set.

Again, in the second set, a four-ree Mottram lead was wiped out with some firm driving that produced errors, and a confident service game took the younger girl to 5-4. Still nervous, Miss Mottram quickly fell 0-40 behind on her own serve and faced three consecutive match points. To her credit she saved them all with positive play.

Outwardly Miss Tyler looked as composed as ever, but the memories of those five defeats must have been wheeling round inside her head, for, after surviving one more service game, she collapsed totally from a lead of 2-1 in the tie-break. Six points running conceded the second set and in the decider she could win only 10 points—two of them double faults by her opponent.

The boys' event was marred by absence and injury. The talented top seed, Christopher Roger-Vasselin, withdrew before the start and the second favourite, Andrew Jarrett, was forced to retire on the second day with a wrist injury.

# Indexation AND Inflation

## IS INDEXATION THE SOLUTION TO CONTROLLING INFLATION?

This is the crucial question posed in an absorbing study to be published by the Financial Times Ltd. in mid-August. It presents the most comprehensive discussion on this important subject that has yet been written.

INDEXATION AND INFLATION draws on the experience and research of members of the University of Manchester's Inflation Workshop.

The study has been prepared under the editorship of E. Victor Morgan, Professor of Economics at the University of Reading. In collaboration with Bryan Carsberg, Professor of Accounting and Business Finance, University of Manchester, and by Michael Parkin, Professor of Economics, University of Manchester. Professor Parkin, in a paper published in the current issue of *Lloyds Bank Review*, writes that the widespread introduction of cost-of-living index linking of public sector debt would be the best means of ensuring that the large borrowing requirement in prospect did not produce a massive increase in the rate of monetary expansion.

The study is concerned with the effects of inflation on business decisions, the distribution of income and

wealth and economic efficiency—and how these could be influenced by indexation. The problems of index-linking and its benefits are discussed in relation to company accounts, taxation, government and company securities, wage bargaining, mortgage finance, the banking system and the stock market.

The authoritative and comprehensive study, compiled by the Economists Advisory Group, has been prepared primarily for decision-makers in business, finance, industry and government. But the nature of its subject matter is such that it is important reading for everybody, in both public and private sectors, concerned with inflation and its control.

First copies of INDEXATION AND INFLATION will be available in mid-August, but brochures setting out its contents and scope in detail are available now. So that you can assess in advance the importance of this timely new study, please complete the coupon below.

Another business publication from THE FINANCIAL TIMES LIMITED

## NOT AN ORDER: Request for information only

To: K. Miller, The Financial Times Ltd., 10, Bole Court, Fleet Street, London, EC4A 3HL. Please send me full details of INDEXATION AND INFLATION

Name: (Block caps) ..... Position .....

Company: .....

Address: .....

Nature of Organisation: .....

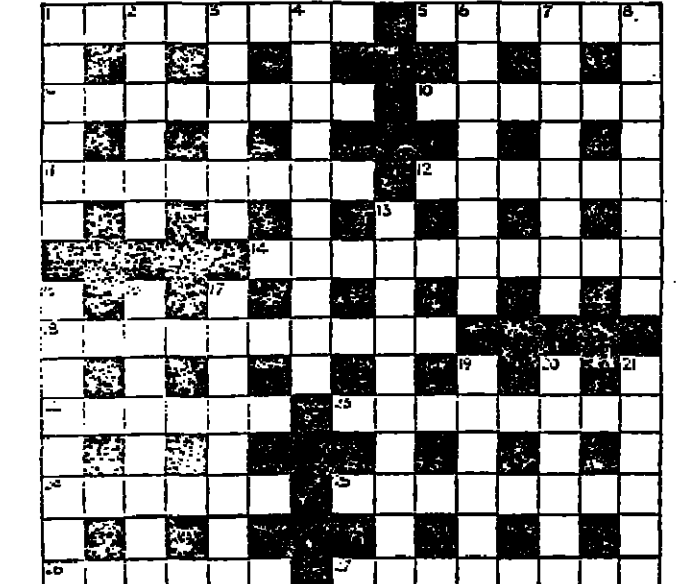
Country: ..... A

## BBC 1

† Indicates programme in black and white

10.0 a.m. Wacky Races. †10.10 Casey Jones. 10.35 Vision On. 11.25 Cricket: Second Test, England v. Australia. 1.30 p.m. Andy Pandy. 1.45 News. 2.15 Cricket: Second Test, England v. Australia. 4.15 Interval. 4.25 Regional News (except London). 4.55 Play School. 5.00 Screen Test. 5.15 Here Come the Double Deckers. 5.40 Sir Prancelot. 5.45 News. 6.00 Nationwide (London only). 6.25 Tom and Jerry. 7.00 Sport-town. 7.10 Nat Trek. 8.00 Mr. Honourable Mrs.

## F.T. CROSSWORD PUZZLE No. 2,846



- ACROSS**
- A couple of errors can catch you out (3, 5)
  - It's the race to spread about a politician (6)
  - Hint for a close friend (3)
  - The girl has to finish in a foundation garment (6)
  - Part of the Bible in Modern Greek is fantastic (8)
  - Two notes in this period must be reversed (5)
  - To Slovenia means it is too much of a good thing (5, 5)
  - The resort for natives (10)
  - "Sweet music here that softer falls than — from blown reeds" (Tennyson) (6)
  - Men settle differences in court with the best of them (4, 4)
  - Albion can give conditional release (2, 4)
  - Getting credit for a bid at the auction (2, 3)
  - Have a meal in an attempt to make an agreement (6)
  - Directions in airline circles (8)
- DOWN**
- Rows are about right for those who are persistent (6)
  - No rises—it is up to me to be punctual (2, 4)
  - Subaltern includes a plous wife to mourn (6)
  - What the volleyball does like a good trencherman (4, 2, 4)
  - To have quite set free his half-regained — (Milton) (8)
  - Station saint round the oriental sweetbread (8)
  - Money on a plate for the pretty girl (4, 4)
  - Flash—a nice change—gives sparkle (10)
  - Made an exit like Mrs. Mopp (15)
  - Fix a list for the hall game (15)
  - David loses a hob to the fortune-teller (8)
  - The lower quarter is on the air (6)
  - To write a refusal in French makes no ray (6)
  - A data follows since there are confidences (6)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

## BBC 2

7.05 to 7.55 a.m. Open University. 11.00 Play School. 4.30 p.m. Cricket: Second Test, England v. Australia. 6.40 News. 7.30 News. 7.45 Look Stranger. 8.10 High Chaparral. 19.00 The Building of the Bomb (documentary). 10.10 Cricket: Test Match highlights. 10.40 News Extra. 11.10 Countdown: London Brook roads "Shall I Tell You?" by William Shakespeare.

## LONDON

10.50 a.m. A Bit Country. 11.20 Sport-town. 1.30 News. 1.45 News. 1.55 News. 2.05 News. 2.15 News. 2.25 News. 2.35 News. 2.45 News. 2.55 News. 3.05 News. 3.15 News. 3.25 News. 3.35 News. 3.45 News. 3.55 News. 4.05 News. 4.15 News. 4.25 News. 4.35 News. 4.45 News. 4.55 News. 5.05 News. 5.15 News. 5.25 News. 5.35 News. 5.45 News. 5.55 News. 6.05 News. 6.15 News. 6.25 News. 6.35 News. 6.45 News. 6.55 News. 7.05 News. 7.15 News. 7.25 News. 7.35 News. 7.45 News. 7.55 News. 8.05 News. 8.15 News. 8.25 News. 8.35 News. 8.45 News. 8.55 News. 9.05 News. 9.15 News. 9.25 News. 9.35 News. 9.45 News. 9.55 News. 10.05 News. 10.15 News. 10.25 News. 10.35 News. 10.45 News. 10.55 News. 11.05 News. 11.15 News. 11.25 News. 11.35 News. 11.45 News. 11.55 News. 12.05 News. 12.15 News. 12.25 News. 12.35 News. 12.45 News. 12.55 News. 1.05 News. 1.15 News. 1.25 News. 1.35 News. 1.45 News. 1.55 News. 2.05 News. 2.15 News. 2.25 News. 2.35 News. 2.45 News. 2.55 News. 3.05 News. 3.15 News. 3.25 News. 3.35 News. 3.45 News. 3.55 News. 4.05 News. 4.15 News. 4.25 News. 4.35 News. 4.45 News. 4.55 News. 5.05 News. 5.15 News. 5.25 News. 5.35 News. 5.45 News. 5.55 News. 6.05 News. 6.15 News. 6.25 News. 6.35 News. 6.45 News. 6.55 News. 7.05 News. 7.15 News. 7.25 News. 7.35 News. 7.45 News. 7.55 News. 8.05 News. 8.15 News. 8.25 News. 8.35 News. 8.45 News. 8.55 News. 9.05 News. 9.15 News. 9.25 News. 9.35 News. 9.45 News. 9.55 News. 10.05 News. 10.15 News. 10.25 News. 10.35 News. 10.45 News. 10.55 News. 11.05 News. 11.15 News. 11.25 News. 11.35 News. 11.45 News. 11.55 News. 12.05 News. 12.15 News. 12.25 News. 12.35 News. 12.45 News. 12.55 News. 1.05 News. 1.15 News. 1.25 News. 1.35 News. 1.45 News. 1.55 News. 2.05 News. 2.15 News. 2.25 News. 2.35 News. 2.45 News. 2.55 News. 3.05 News. 3.15 News. 3.25 News. 3.35 News. 3.45 News. 3.55 News. 4.05 News. 4.15 News. 4.25 News. 4.35 News. 4.45 News. 4.55 News. 5.05 News. 5.15 News. 5.25 News. 5.35 News. 5.45 News. 5.55 News. 6.05 News. 6.15 News. 6.25 News. 6.35 News. 6.45 News. 6.55 News. 7.05 News. 7.15 News. 7.25 News. 7.35 News. 7.45 News. 7.55 News. 8.05 News. 8.15 News. 8.25 News. 8.35 News. 8.45 News. 8.55 News. 9.05 News. 9.15 News. 9.25 News. 9.35 News. 9.45 News. 9.55 News. 10.05 News. 10.15 News. 10.25 News. 10.35 News. 10.45 News. 10.55 News. 11.05 News. 11.15 News. 11.25 News. 11.35 News. 11.45 News. 11.55 News. 12.05 News. 12.15 News. 12.25 News. 12.35 News. 12.45 News. 12.55 News. 1.05 News. 1.15 News. 1.25 News. 1.35 News. 1.45 News. 1.55 News. 2.05 News. 2.15 News. 2.25 News. 2.35 News. 2.45 News. 2.55 News. 3.05 News. 3.15 News. 3.25 News. 3.35 News. 3.45 News. 3.55 News. 4.05 News. 4.15 News. 4.25 News. 4.35 News. 4.45 News. 4.55 News. 5.05 News. 5.15 News. 5.25 News. 5.35 News. 5.45 News. 5.55 News. 6.05 News. 6.15 News. 6.25 News. 6.35 News. 6.45 News. 6.55 News. 7.05 News. 7.15 News. 7.25 News. 7.35 News. 7.45 News. 7.55 News. 8.05 News. 8.15 News. 8.25 News. 8.35 News. 8.45 News. 8.55 News. 9.05 News. 9.15 News. 9.25 News. 9.35 News. 9.45 News. 9.55 News. 10.05 News. 10.15 News. 10.25 News. 10.35 News. 10.45 News. 10.55 News. 11.05 News. 11.15 News. 11.25 News. 11.35 News. 11.45 News. 11.55 News. 12.05 News. 12.15 News. 12.25 News. 12.35 News. 12.45 News. 12.55 News. 1.05 News. 1.15 News. 1.25 News. 1.35 News. 1.45 News. 1.55 News. 2.05 News. 2.15 News. 2.25 News. 2.35 News. 2.45 News. 2.55 News. 3.05 News. 3.15 News. 3.25 News. 3.35 News. 3.45 News. 3.55 News. 4.05 News. 4.15 News. 4.25 News. 4.35 News. 4.45 News. 4.55 News. 5.05 News. 5.15 News. 5.25 News. 5.35 News. 5.45 News. 5.55 News. 6.05 News. 6.15 News. 6.25 News. 6.35 News. 6.45 News. 6.55 News. 7.05 News. 7.15 News. 7.25 News. 7.35 News. 7.45 News. 7.55 News. 8.05 News. 8.15 News. 8.25 News. 8.35 News. 8.45 News. 8.55 News. 9.05 News. 9.15 News. 9.25 News. 9.35 News. 9.45 News. 9.55 News. 10.05 News. 10.15 News. 10.25 News. 10.35 News. 10.45 News. 10.55 News. 11.05 News. 11.15 News. 11.25 News. 11.35 News. 11.45 News. 11.55 News. 12.05 News. 12.15 News. 12.25 News. 12.35 News. 12.45 News. 12.55 News. 1.05 News. 1.15 News. 1.25 News. 1.35 News. 1.45 News. 1.55 News. 2.05 News. 2.15 News. 2.25 News. 2.35 News. 2.45 News. 2.55 News. 3.05 News. 3.15 News. 3.25 News. 3.35 News. 3.45 News. 3.55 News. 4.05 News. 4.15 News. 4.25 News. 4.35 News. 4.45 News. 4.55 News. 5.05 News. 5.15 News. 5.25 News. 5.35 News. 5.45 News. 5.55 News. 6.05 News. 6.15 News. 6.25 News. 6.35 News. 6.45 News. 6.55 News. 7.05 News. 7.15 News. 7.25 News. 7.35 News. 7.45 News. 7.55 News. 8.05 News. 8.15 News. 8.25 News. 8.35 News. 8.45 News. 8.55 News. 9.05 News. 9.15 News. 9.25 News. 9.35 News. 9.45 News. 9.55 News. 10.05 News. 10.15 News. 10.25 News. 10.35 News. 10.45 News. 10.55 News. 11.05 News. 11.15 News. 11.25 News. 11.35 News. 11.45 News. 11.55 News. 12.05 News. 12.15 News. 12.25 News. 12.35 News. 12.45 News. 12.55 News. 1.05 News. 1.15 News. 1.25 News. 1.35 News. 1.45 News. 1.55 News. 2.05 News. 2.15 News. 2.25 News. 2.35 News. 2.45 News. 2.55 News. 3.05 News. 3.15 News. 3.25 News. 3.35 News. 3.45 News. 3.55 News. 4.05 News. 4.15 News. 4.25 News. 4.35 News. 4.45 News. 4.55 News. 5.05 News. 5.15 News. 5.25 News. 5.35 News. 5.45 News. 5.55 News. 6.05 News. 6.15 News. 6.25 News. 6.35 News. 6.45 News. 6.55 News. 7.05 News. 7.15 News. 7.25 News. 7.35 News. 7.45 News. 7.55 News. 8.05 News. 8.15 News. 8.25 News. 8.35 News. 8.45 News. 8.55 News. 9.05 News. 9.15 News. 9.25 News. 9.35 News. 9.45 News. 9.55 News. 10.05 News. 10.15 News. 10.25 News. 10.35 News. 10.45 News. 10.55 News. 11.05 News. 11.15 News. 11.25 News. 11.35 News. 11.45 News. 11.55 News. 12.05 News. 12.15 News. 12.25 News. 12.35 News. 12.45 News. 12.55 News. 1.05 News. 1.15 News. 1.25 News. 1.35 News. 1.45 News. 1.55 News. 2.05 News. 2.15 News. 2.25 News. 2.35 News. 2.45 News. 2.55 News. 3.05 News. 3.15 News. 3.25 News. 3.35 News. 3.45 News. 3.55 News. 4.05 News. 4.15 News. 4.25 News. 4.35 News. 4.45 News. 4.55 News. 5.05 News. 5.15 News. 5.25 News. 5.35 News.











## HOME NEWS

## Broker's economic survey forecasts dismal decade

BY CHRISTOPHER LORENZ

A FALL in real incomes of 4.5 per cent over the year to next July would be caused by the 15.16 per week limit on wage increases, if no offsetting action were taken by the Government, says brokers Phillips and Drew in its Economic Forecasts.

It doubts, however, whether the labour force would accept such a fall and sees the Government coming under increasing pressure to reflate the economy. The pressure was likely to be irresistible because of rising unemployment, falling production and moderating inflation. So the Chancellor might react next spring by cutting indirect taxation, thus further reducing the overt rate of inflation and preparing the way for the 1976-77 wage round.

Such action would limit the fall in real incomes to about 3 per cent over the next 12 months, according to Phillips and Drew, who claim their forecasting model to be similar to that of the Treasury.

In a review, the medium-term picture of which paints a grim picture of the economy for most of the decade, Phillips & Drew are optimistic that retail price

will fall to 12-15 per cent by the end of next year, after having moderated to 15-16 per cent over the coming 12 months. They expect a rate of 26.1 per cent over the 12 months to this July to be reported officially on August 15, with a peak in August or September.

With real incomes under pressure, consumers' real spending was likely to contract 2.5 per cent by mid-1976. A modest upturn was expected late next year in the wake of the forecast reflationary action, but still to a background of depressed consumer spending.

Phillips & Drew sees nothing in the July White Paper to alter its view that a considerable recession in capital formation is to be expected, and it forecasts a 10 per cent fall in capital investment this year followed by one of 9 per cent next year.

Gross Domestic Product was seen contracting by an average 1.1 per cent in the next 12 months, with some recovery possible in the second half of 1976. Export volume and real consumption started to recover. But the weak demand pattern until then implied a continued

## Inflation could mean more home-owners — building societies

BY JOE RENNISON

MORE PEOPLE will be able to buy their own homes if the present trend of a decline in house prices, compared with income levels continues, says the Building Societies Association in its quarterly bulletin Facts and Figures.

And, if inflation continues at its present rate, people buying a house now could be paying back a negligible amount on their mortgage out of their monthly incomes.

The bulletin says that the ratio of house prices to earnings in the second quarter of this year stood at 3.75. This compares with the historically high

a half times, the retail price index has not quite doubled.

The house price index is based on that for new houses. But the bulletin points out that the market is largely controlled by the prices gained for second-hand houses. Builders of new houses tend, therefore, to set their prices according to what is happening on the second-hand side.

Despite a healthy market at the bottom end of the price range the rises have not been sufficient to give confidence to the builders of new homes when compared with the increase of their own costs.

It is suggested that at present price levels many builders will feel that they are not getting a sufficient return to continue building new houses.

There is likely to be a further and brisk rise in house prices at the bottom end of the market. This will be caused largely by shortage.

At present there is very little "trading up" going on because of the general economic uncertainty and the increased cost of running a larger home. These people in smaller houses who might normally be expected to move out and make room for first-time buyers are staying put.

## More home news Page 16

figure of 4.52 in the second quarter of 1973 and 4.79 in the third — when the great house boom had reached its peak and was beginning to tail off.

But the ratio still remains high compared with the figure of 3.17 in the last quarter of 1970, the lowest recorded in recent years.

Because the ratio remains so high the BSA concludes that it is most unlikely that we will see a large rise in house prices in the near future.

## Return

"Now that people have seen that short-term upward movements in house prices cannot be extrapolated ad infinitum such a pattern of house price movements is less likely to recur."

The bulletin is quick to point out the advantages of home ownership for those who have bought houses for less than £9,000. More than one third of the price of houses on average has gone up more than two and

## Reduced

The bulletin points out that the average man now would have to commit about one third of his gross salary but that if inflation continued at its present rate within 15 years this would be reduced to less than one per cent.

The activity at the lower end of the market is emphasised by tables giving the distribution of mortgages in the first quarter of this year. This shows that more than half of first-time buyers bought houses for less than £9,000. More than one third of the price of houses on average has gone up more than two and

## Publishers consider scheme for rival postal service

BY MICHAEL THOMPSON-NOEL

MOST PUBLISHING houses, alarmed at the prospect of further big increases in postal rates this autumn, are seriously examining plans to run their own, rival, independent postal service.

Mr. Patrick Tickell of the Publishers Association, claiming that the latest round of Post Office price proposals amount to "blatant discrimination against the printed word—books, magazines and periodicals," says that publishers are studying alternative methods of delivering their domestic mail and foreign orders.

"Home deliveries will not be too difficult to organise, especially within towns or between towns. That will leave the Post Office with remote villages, the Scottish Highlands and the Welsh valleys."

## Alarming

The situation is seen as equally alarming for overseas mail—publishers this year are expected to export more than £200m. worth of books and magazines.

By January 1 most overseas printed paper rates will have risen by 100 per cent, compared with pre-March 1975 levels, while the key Direct Agent's Bag rate for bulk exports will have risen by 166 per cent, compared with rates before June last year.

Mr. Robin Fairlie, business services director of the Reader's Digest Association—believed to be the Post Office's biggest single customer—says that his company mails 50m. items a year, including 18m. copies of Reader's Digest, and may have to inaugurate its own, independent mail service, particularly in large concentrations.

At present the company has a five-year contract with the Post Office, which is due to expire next March.

"The lack of understanding by anyone in government about what the Post Office is about, or

how it should be used, is alarming," says Mr. Fairlie.

The Publishers Association itself has urged the Post Office Users' National Council to press for a full Government inquiry into how the Post Office is run.

Mr. Ronald Hobbs, managing director of the services division of the Longman Group, the Pearson Longman subsidiary, says that his company exports 20m. educational books a year and may consider greater use of air charter services instead of the Post Office—particularly for key markets such as Latin America and central Africa.

The U.K. book clubs have also been hit by steeply rising postal costs. Mr. Stanley Remington, general manager of Book Club Association—the biggest of the clubs with 500,000 customers and an annual postal bill of around £15m.—says the rises proposed for the autumn will lead to "massive" cost pressures.

"It will become absolutely impossible to recoup these higher charges from our customers. Our non-book postage alone will rise by at least £80,000 a year. We will have to look for alternative means of delivery."

The Publishers Association says that negotiations are now under way in most countries aimed at developing independent means of delivery.

According to Mr. Tickell: "This time last year, half a ton of publishing material, mainly books, was being shipped privately to Denmark; it is now more than 10 tons. The rate is 16p a kilo for deliveries within Copenhagen and 20p a kilo outside. These compare with official Post Office rates of 27p a kilo at present and the 38p a kilo planned for January 1."

The position in certain other foreign markets, says Mr. Tickell, is as follows:

Norway—20p a kilo via Oslo; Belgium—a new service negotiated at 21p a kilo; West Germany—no service; Switzerland—a new scheme being introduced on Monday; Portugal—45 waiting lists.

tons of periodicals to Lisbon each week.

Greece—large quantities of magazines already going via a P and O road transport subsidiary; Australia—growing use of containerised freight; Malaysia, Hong Kong and Singapore—talks under way; the Middle East—negotiating a roll-off, roll-on facility via Tripoli.

## Evenly

The publishers say in a letter to Lord Poddie, chairman of the Post Office Users' National Council: "We believe strongly that the call for a full public inquiry into the sort of Post Office we want and the methods of financing it should be implemented before any further increases are sanctioned."

Failing that, say the publishers, the council should ensure that this autumn's postal increases are spread more evenly between the various weight bands, so as not to discriminate against the printed word.

The publishers point out that at present these proposals envisage price increases of up to 22 per cent, in the first three weight bands, which mainly cover letter prices, but of up to 82 per cent in the weight steps that most affect magazines, journals and books.

## Students 'may turn squatter'

THOUSANDS OF students could be forced to turn squatter next month because of the worst-ever student housing crisis, National Union of Students' president Charles Clarke said yesterday.

The NUS was not specifically advising this action but it would back them as long as they moved into genuine unused property. It would not support anyone who deprived families on council housing waiting lists.

## Gunmen cut down former UDR man

A 26-YEAR-OLD Protestant—a former member of the Ulster Defence Regiment—became the seventh person to die in Northern Ireland within 72 hours.

The man was gunned down in front of his wife by three masked men as he walked home in the village of Moy, Co. Tyrone.

Two of the gunmen ran off after the first burst of shots, but the third kept firing until the victim's wife grappled with him. He too ran off.

Two unsuccessful ambushes on security forces in western Ulster in the early hours of Sunday morning also gave strength to fears that a group of Republicans, perhaps unconnected with the Provisional IRA, are trying to launch a campaign in the area.

In an ambush at Stewartstown, Co. Tyrone, 30 shots were

## 'Education vouchers' suggested

By Michael Dixon, Education Correspondent

TRIALS with education vouchers, which parents would "cash" at schools of their choice, are being held up by the "naïve faith" of the Government in the education system, says evidence submitted by the Institute of Economic Affairs to the Layfield Committee on local government finance.

The evidence—the work of Mr. Alan Maynard, of York University—advocates a programme of experiments with different types of vouchers and names Kent as "at least one education authority" interested in conducting trials.

The teacher unions are charged with being resistant to change and accountability—and ignorant of the fact that a voucher system, by being weighted in favour of poorer families, could "be much more egalitarian than the present education system."

## 'Unofficial' Scotch exports up

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE FAST development of the unofficial export market in Scotch whisky this year is clearly shown in statistics just released by the Customs and Excise.

The so-called "parallel" market developed because until the recent price increases in the home market Scotch bought duty in the U.K. has been so much cheaper than in other parts of Europe.

The producers and their agents found the unofficial imports being sold in Continental markets at below the usual price and this had serious implications for the future promotion they could put behind brands.

The statistics show that, while exports in the first half of 1975 to the major markets were badly affected by economic gloom,

## Flourishing

Exports to France in the period, at 15m. gallons worth £8.5m, were up 17.8 per cent in volume and 35.6 per cent in value. The Belgio-Luxembourg figures were up 24 per cent in volume to 1.2m. gallons and 51 per cent in value to just under £5m.

While the "parallel" markets were flourishing, export ship-

ments to Italy were falling after the Italian Government slapped on measures to restrict imports, including a 30 per cent VAT rate on Scotch. As a result, exports fell 49 per cent in volume to just over 1m. gallons and by 39 per cent in value to £5.2m.

Perhaps the most depressing news for the industry was that exports to the U.S., the biggest market in the world for Scotch, over the six months fell by 7.6 per cent in volume to 15.9m. gallons and by 8.49 per cent in value to £54.4m.

In the important Japanese market, exports were down 22.6 per cent in volume to 4m. gallons and by 5 per cent in value to £14m.

## Benn explains his remarks

FINANCIAL TIMES REPORTER

MR. ANTHONY Wedgwood Benn, Energy Secretary, has written to all the members of a Commons Committee amplifying his remarks made on Wednesday about a contract under which ICI buys from the British Gas Corporation.

Mr. Wedgwood Benn had told Sub-committee B of the Select Committee on Nationalised Industries that British Gas lost £50m. last year under the 15-year fixed price contract signed in 1969, since ICI was paying only £20m. a year for supplies of gas for which the present price was £110m.

The Minister has now sent all members of the sub-committee a copy of his letter to its chairman, Mr. Edwin Wainwright, it reads:

"At the SCNI hearing on fuel tariffs on Wednesday morning I was asked about the long-term contracts entered into by the British Gas Corporation. In industry's own transmission reply I gave the information available to me and undertook to inquire further into the matter. marketing advantages.

## IN ITALY THE WORLD-WIDE FOOTWEAR MARKETS

## MILANO

6-9 SEPTEMBER 1975

Footwear - Tanneries

Accessories - Modellers

For information:

MICAM

1, Via Dogana,

20123 MILANO (Italy).

Tel. 02/2862-92770-804678

## BOLOGNA

6-9 MARCH 1976

Footwear - Tanneries

Accessories - Leather

Goods - Modellers

For information:

ENTE FIERE BOLOGNA

4, Piazza della Costituzione,

40128 BOLOGNA (Italy).

Tel. (051) 503050

## U.K. trade with EEC only a third

BRITAIN conducts less of its overseas trade with Common Market countries than any other member of the EEC, according to the Treasury.

Only about one-third of Britain's trade is with the Community. No other member's proportion is less than 40 per cent, and some have considerably more.

The figures are given in an article on the pattern of EEC trade in the Treasury's latest economic progress report. The article says Britain is third in the Common Market league table of international trade after Germany and France.

Quoting statistics from the Organisation for Economic Co-operation and Development, the Treasury says Britain's export output "is less than half that of West Germany, considerably less than that of France and not considerably larger than that of the Netherlands."

## Electricity working with Marks &amp; Spencer

252 STORES IN NEW ENERGY MANAGEMENT PROGRAMME

## Sir Marcus sets the pace

Encouraging staff to be energy-minded: immediate measures to cut waste and over-consumption: top priority for energy management in future developments—these are key points in the new Marks & Spencer energy management programme inaugurated by the Chairman, Sir Marcus Sieff.

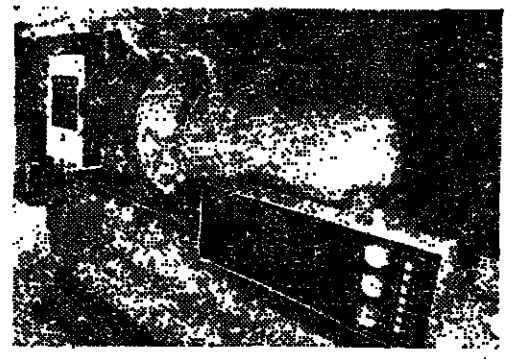


"It is vital to the nation that all sectors of the community develop the right mental attitude towards energy conservation," wrote Sir Marcus recently in The Times. To set the pace for his own company, he has established teams with responsibility for energy management in the 252 M & S stores and briefed the company's Building Group to improve energy efficiency in every possible way—while maintaining optimum comfort for staff and shoppers.

## Design for less heat loss

"Electricity accounts for the major part of our energy consumption," say M & S engineers, "and one of our most important aims is to conserve the heat produced by lighting, refrigeration and other applications. So we are widening our use of heat recovery and recirculation systems. Surplus

heat from refrigeration and sales floor lighting, for example, can be directed to backstage areas. We are also redesigning food display units to minimise 'spillage' of cold air, thus reducing refrigeration and space heating requirements.



"In stores with air conditioning, we are developing systems for closer control of the energy used for circulating air, and for pumping water in the ancillary equipment.

"And to keep our energy working for us, we're improving building insulation wherever possible. Better roofing, filling of wall cavities and double glazing, together with more discriminating use of thermostatic control, are all helping to cut heat waste."

## Looking at lighting efficiency

Here again, M & S policy is to increase efficiency without sacrificing standards. Good illumination is vital in sales areas—not only for attractive display, but also to ensure a strain-free



environment, and for safety on stairs and escalators. Throughout M & S stores and offices, the emphasis is on visual efficiency. New forms of mercury

halide and fluorescent lighting, both of which are 40 per cent more efficient than conventional fluorescent systems, are being introduced. With all forms of lighting continuous research is urged to achieve the highest standards of colour rendering in conjunction with these higher outputs.

## Energy effectiveness in new stores

With all new M & S stores incorporating systems for heating and cooling recirculation, high-efficiency lighting, and insulated structures, you might think these developments would satisfy the most energy-conscious management. "Yes, results are promising," say M & S. "But ours



is an on-going programme. Every installation sets a standard for improvement. We're testing different conservation methods all over the country. At M & S, full-scale energy management is now a fundamental part of our business."

For expert help on energy management in your own organisation, contact your Electricity Board. Benefits, costs, plans, equipment—they can advise you on them all.

Manage efficiently with Electricity



THE ELECTRICITY COUNCIL, ENGLAND &amp; WALES



# The Executive's World

EDITED BY JAMES ENSOR

David Fishlock on how ICL uses Pericles

## An education to the rest

ANY TIME Mr. Peter Ellis wants to know what value of computing equipment is awaiting despatch in ICL's three big factories in England, all he need do is to punch a few buttons on a TV-like apparatus in his office. Within moments the information appears on his screen. It's a question he asks pretty often these days, for two very good reasons. The obvious one is that his job is to keep the finished computers moving, and under a new inventory control scheme he is being charged interest on stock exceeding a certain level, at 1 1/2 per cent a month. The other is that his boss, Mr. Geoffrey Cross, who implemented the scheme, can ask the same question with equal facility of a similar apparatus in his own office, to find out just where his cash is tied up.

Mr. Cross and Mr. Ellis, respectively chief executive and director of worldwide marketing of ICL, are learning to live on terms of some intimacy with the computer. It's a new way of working, they are convinced, that a great many people in Britain are going to learn in the next few years. And it hasn't been easy: in fact they rejected the initial efforts of their ergonomists in Corporate Systems to bring man and machine into close relations. The first attempt was a system tailored just for top management providing such information as financial reports. According to Ellis, it was "nothing more than a mechanical page turner." It simply wasn't possible to question the computer the way he does today, or to have any confidence in its figures.

As a salesman, he wanted not just a system that allowed him himself to work harmoniously with the computer, but one he knew he could sell to ICL's customers. If he got it right for ICL, he believed it would find ready markets among ICL's customers.

The root of the trouble was that the first system worked not on "live" data available at every level of management, and hence constantly updated and verified, but on data generated as a special and separate activity, which tended to be updated only in a crisis. And inevitably it was expensive, for it was an on-line system designed to serve only about five people.

It took another 10 man-years of systems engineering efforts to produce Pericles (Personalised ICL Engineering Service), whose name also owes something to the Athenian's reputation for integrity. (A classical scholar among ICL's ergonomists drew his colleagues' attention to Pericles' funeral oration: "In summary, I declare that our whole state is an education to the rest of Greece.")

Already some 30 ICL staff, from invoicing clerks to the chief executive, have access to the new data base, via about eight video display units (VDUs). Far from being frightened of an unfamiliar machine, they use them as readily as they use calculators, says Ellis. And top management began receiving exactly the same data as the shop floor.

Pericles is a service rather than a system: one that gives Cross and Ellis direct access to a number of on-line systems, such as an order file which he can access by order number, customer, site, etc., product allocation, and the debtor situation. Another ingenious system is "I spy" in which the computer will help frame the precise question required to elicit information the user is seeking.

So far the main beneficiary of the Pericles service is international marketing. Mr. Ellis's parish embraces some 8,000 people in 45 countries. He has direct links with the factories at West Gorton, Kidsgrove and Letchworth, and also with Paris headquarters of ICL's operations in Europe.

The great advantage, he says, is how quickly people with a VDU get to the point of discussing what to do about a problem, rather than arguing whether a problem exists and how big it might be. Both parties to the discussion have the same data before them, and both have confidence in its integrity.

On this point Mr. Ellis stresses that he does not claim that the data base is infallible, but simply that it is constantly being monitored for error by many people of disparate interests. Moreover its users can back-track on any errors that might be uncovered, to find out who may have used the information and put them straight.

An important reason, he believes, why Pericles works is that those who designed the system in Corporate Systems are under the same management as those who must use it. There can then be no question of any one crying: "Who the hell dreamed up a system like this?" The onus for accuracy and completeness is put squarely on those who feed it with data.

"Unmatched sets are the absolute bane of this business," said Mr. Ellis, explaining why he needed Pericles so urgently. In his case the VDU sits on a trolley in a small annex adjoining his office overlooking the Thames at Putney, ready for instant interrogation. He reckons to have one or two intense sessions with it a week, sometimes attacking a problem of which he is already aware, to see what light the computer can shed, initial question—both each will have to be justified in terms of its cost-effectiveness.



Mr. Peter Ellis about to 'punch a few buttons'

Terry Kirk

John Trafford describes Bland Payne's move to Norwich

## On the Liverpool St. Line

BLAND PAYNE, the commercial and industrial insurance broker now controlled by the Midland Bank, decided in 1971 to move a large part of its operations from London. After a commendably brief period searching for a suitable spot, Norwich was chosen in 1972 and last month the company's chairman, Mr. Neil Mills, celebrated the end of the first phase of the move when he declared the new office block open.

It is too early to say whether the hopes of cost cutting and happier, more efficient staff are being realised. But whatever the long-term result the company's finance director, Niven Duncan, has no doubts about the rightness of the decision. Given the time again, he says that the management would accept the turmoil and traumas of the move to secure the benefits it now enjoys.

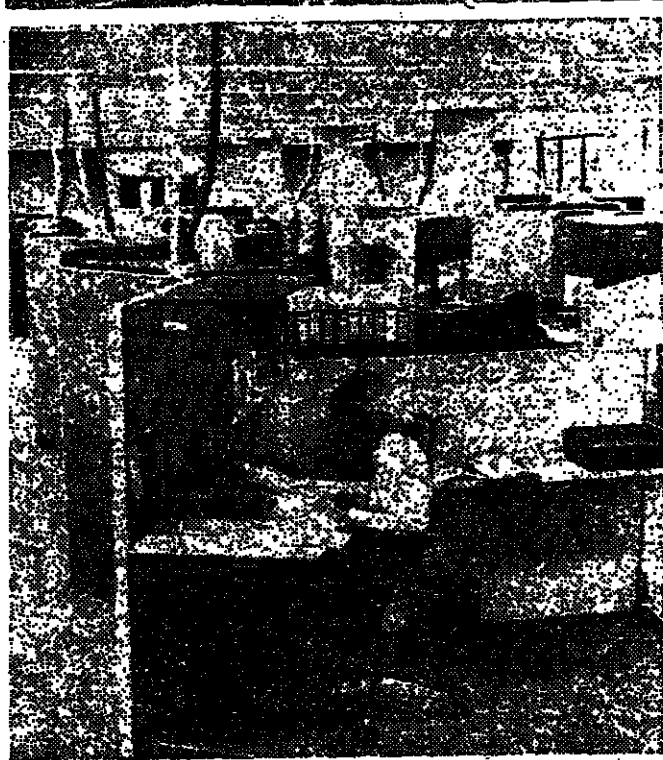
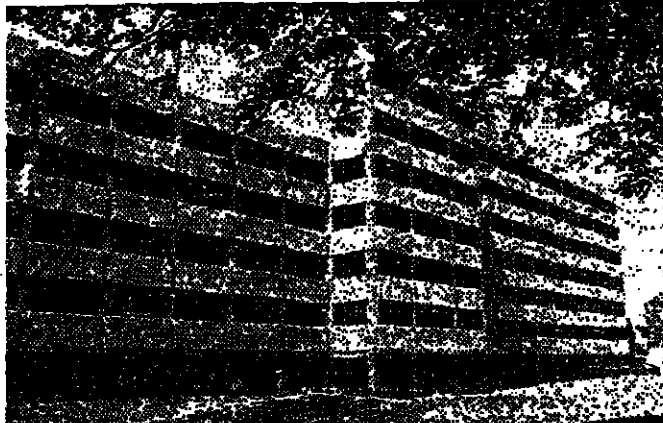
Although the financial benefits appear to be clear—"a substantial difference is bound to remain between London and Norwich in office costs"—Mr. Duncan sees the biggest advantages elsewhere. First, the move provided a necessary and salutary shake-up of ingrained habits. The fact that the company was moving from nine 11th-century offices around the City of London to just two in the City and one large 102,000 square foot office in Norwich, 120 miles away was, he believes, the catalyst that led to two important operational decisions.

In the first place, the company decided that a really advanced telecommunications system was needed to obviate the disadvantages of distance. The most important aspect of that decision was the installation of the very advanced IBM 3750 switching system for both voice and data communication.

Without the move, the company would not have invested so promptly in such an expensive system. Having done so, it is one of only 20 British companies to operate the new IBM system and only the second in Europe to have two 3750s linked by a wide band circuit. Another result was the decision to equip the Norwich office and most of those in London with Herman Miller Action Office. The latter was chosen because of the easier access to the City via Liverpool Street station.

Negotiations with London and Overseas Property and Investment led to the decision in the spring of 1972 to move to an office block to be built specially for Bland Payne by the developers in Norwich. In September 38 members of the financial division, moved into temporary offices (a speculative office block also put up by London Overseas) in the centre of Norwich.

There followed the only serious delay in the whole plan—the granting of a detailed planning permission on the proposed office block, for which outline planning permission had already been obtained. Eventu-



Bland Payne was able to give its Norwich girls almost twice the space of the Londoners

ally all was agreed and building work started in the spring of 1973. After completion last December, there ensued a six-month fitting out period.

Initially, Duncan explains, the company had intended to retain the form of the finance division (numbering 160 including those recruited locally). It soon became apparent, however, that the company's recruiting and training facilities were going to be completely snowed under if the rest of the move to Norwich was delayed until the new building was almost ready for occupation.

Because Bland Payne has decided to rent rather than buy its office in the provinces, the economics of the move are not as clear cut as might be expected. The company was able to get a handsome price for one of its major City office blocks on which it had a long lease at a fixed (almost nominal) rental. The major items of capital expenditure have been the IBM switching system, the Action Office layout and air-conditioning in the Norwich office which the company opted for in the belief that it would be the norm in a few years time rather than

the exception which it is at present in Norwich. Since these items qualify for capital allowances, in effect only half their cost is born by the company. Even allowing for the cost of moving staff to Norwich and the granting of a £500 disturbance allowance, the net cost to the company has been below £500,000.

If the figures were reworked to-day, they would come out rather differently. It would not be possible to sell a City office leasehold as well as Bland Payne did at the height of the property boom, nor would it be possible to get a lease on an office block in Norwich at £1.30 a square foot with seven-year reviews. Without doubt, it requires luck as well as good management to extract the best economic performance from a relocation move.

Because the company had been paying some artificially low rents in the City, its savings on annual outgoings by moving staff to Norwich was relatively modest. Indeed if that were the only criterion for making the move, the switch to Norwich would probably not have taken place. The real key lies with the staff—their attitudes, their performance, their ambitions—and here the balance sheet is favourable if not wholly without blemish.

No-one who has moved to Norwich, says Duncan, appears interested in returning to London. They seem to like all those aspects of the working and leisure environment which the LOB spells out in detail in its brochures. Locally recruited clerical staff are of a generally higher quality than those available in London and, most important, staff turnover in Norwich is running at about 10 per cent, compared with a London figure of 30 per cent.

The problems, if problems they are, lie mainly in staff relations and promotion. It is very hard to convince people who work 120 miles away from one another that they all belong to the same company.

Another difficulty arises over promotion prospects. If the company wishes to promote, say, a 30-year old to a job in London, it will be difficult to give him any increase in living standards or even preserve his existing ones if he is moving from Norwich to London. This could prove a nasty snag because many of Bland Payne's brokers have come up through "the office." One possible answer, as Duncan sees it, is to move people abroad from Norwich and then at a later date back to London. As yet, the company appears more to have identified the problem than found an adequate solution.

But all in all Niven Duncan is an enthusiast for the move. "The trouble is that some say I must appear enthusiastic because I have been identified with the change," he admits—some people believe I wanted Norwich because I have a weekend cottage near Swaffham."

This announcement appears as a matter of record only

## NATIONAL BANK OF HUNGARY

(Magyar Nemzeti Bank)

U.S. \$ 60,000,000

9.25 % Notes Due 1983

Managed by:

KUWAIT INVESTMENT COMPANY (S.A.K.)

الشركة الكويتية للاستثمار  
(ش.م.ك.)

## Where could you buy your own research department for £200?

RIGHT HERE... at the Financial Times Information Centre. We have a research staff of twenty-one at the Centre ready to answer questions on almost any business situation. Our researchers are backed up by twenty-two other library staff. You simply put your question to the researcher on our ex-directory telephone—and leave the rest to us.

The FT Information Centre  
It's our business to know

Ask us your first question now.  
How can I buy a research department for £200 p.a.?

Name

Position

Address

Tel. No.

Complete and return this coupon to:  
Nicholas Henderson, Financial Times/SVP Business  
Information Centre, 388 Strand, London WC2R 0LT,  
or call him on (01) 836 5444.  
A Department of The Financial Times Registered in  
London Number 227590.

## TYPEWRITERS

## Remington finds the going tough

BY ROY LEVINE

SPERRY RAND Corporation from January 1974 when it has ceased production of its family of four machines with the expressed aim of capturing a fifth of the U.K. market in "two or three years time."

Although there has been no run-down of the U.K. operation, there has been little expansion either and the aim now is merely to keep a presence in London in case the Board in Philadelphia decides to have another try.

Sperry's tentative withdrawal from the market represents a major victory for IBM which controls the predominant share of the markets in most countries.

Any challenge to IBM, including Sperry's, has been thwarted by the fact that, until quite recently, there has been only one typewriter fast enough and rugged enough to form the nucleus of a system—the IBM Selectric.

"The cost of buying the typewriter from IBM at between £600-£700 each makes a word processing system very expensive. Also, being reliant on them means we lose a lot of flexibility," comments Mr. Miller, adding, "We must use our own single element typewriter for any new system we may decide to produce."

Rumours have been rife on both sides of the Atlantic that Sperry was about to withdraw totally from what is regarded as potentially one of the fastest growth markets in the U.S. and Europe. For some months now Sperry has been giving discounts of up to 50 per cent. on its editing typewriters in an effort to liquidate stocks estimated at over 900 machines.

Discounts will not be given in the U.K., according to Mr. Miller who estimates there are about 400 Sperry machines unsold in Europe. The U.K. company has five salesmen and a number of service engineers—a far cry

from the situation when it was looking around for a suitable entry into the market, made an agreed \$3m. bid for Redacron two weeks ago.

With new resources, Redacron will be giving more support to its distributors, especially in the important European market. A new range of machines will be launched world-wide next spring including its own electronic printer.

"These events have a strange irony for Sperry. When Sperry first decided to go into the market, it thought it would save time and money by making the Redacron machine under licence as a precursor to its own design."

Initially, the agreement worked well and started with Sperry buying over \$6m. worth of Redacron's machines which it sold under its own label. Both groups thrived until the economic recession came and with it the greater pressures on margins. It then became apparent that the weakness in the arrangement was the reliance on IBM's typewriter.

Sperry was selling a "Me-too" machine; no different to the other machines on the market and offering no price advantage. The extent of losses from its abortive venture may never be known, for the figures are not separated in the annual accounts.

The key to whether the Corporation has any future in the market is its typewriter. At the time of its U.K. launch it boasted it was "producing a new kind of machine that can go beyond the speeds of the Selectric and provide the same degree of flexibility and robustness." Yet the speed of its single element typewriter, at 151 characters per second, is only marginally faster than

IBM's at this stage, which is fine for normal typing but not for editing.

Even if it can produce a fast and robust editing typewriter, it needs to decide whether to go for the cheaper, stand-alone systems which form the bulk of the market or whether to aim for the systems of the future, using shared logic, visual display units and other gadgetry.

A clue to that puzzle was given in the latest accounts for the year ended March 31, 1973. Explaining the merger last August of the Office and Machines Division with Sperry Univac (the computer side), the president of Univac, Mr. G. G. Probst commented, "In recent years, there have been parallel developments in computer and office machines technology and a gradual melding of the two markets."

Certainly the pooling of resources suggests a predilection for sophisticated systems linked to in-house computers. (IBM and Redacron already have typewriters that can be linked to computers through the telephone.) Not so, says Mr. Miller. "The real prospects are in power typing at the low end of the market. We could produce a stand-alone system for perhaps £2,500."

It is even conceivable that Sperry will produce machines at both ends of the market—with Remington which has a larger customer base selling at the lower end and Univac at the sophisticated end.

In Europe alone the annual sales value of the market is estimated by one independent source to grow from £33m. to £200m. by 1979. According to Mr. Miller, Sperry has up to 18 months to "take some of that pie." The Board's decision is expected in September.



## OVERSEAS NEWS

## World leaders stress the successes of Helsinki

BY OUR FOREIGN STAFF

WORLD leaders have gone their separate ways following the 35-nation summit in Helsinki trailing behind them a welter of self-congratulation.

Soviet Communist Party leader Leonid Brezhnev, back in Moscow, was showered with praise by the Soviet Press as the summit's prime mover and main participant.

After a period of comparative restraint during the three-day gathering last week, and a low-key performance by the Kremlin leader himself, newspapers yesterday threw the emphasis heavily on Mr. Brezhnev's role.

Soviet commentators said that while Mr. Brezhnev said everyone had won—socialist and capitalist states, Nato and the Warsaw Pact alike—they implied that it had been a defeat for certain Nato leaders and others who are styled here as "enemies of détente."

There was little mention of the force reduction talks in Vienna, which leaders of both East and West have said they now consider of top priority, and only the most cursory reference to conference pledges to ease human contacts and information flow.

In London Mr. Wilson, the Prime Minister, said the very fact that such a gathering took place at all must be regarded as a success and that the Soviet Union was bound to take account of the agreement in future.

In Romania, Secretary of State Dr. Henry Kissinger said that reports of a breakdown on Strategic Arms Limitation between the U.S. and the Soviet

Union were "total nonsense." Kissinger said he cannot guarantee the success of Strategic Arms Limitation Talks (SALT) with the Soviet Union but said the talks are "now making progress."

President Ford told reporters at an afternoon news conference en route from Helsinki to Bucharest that "progress was encouraging, and that also is a word that could be qualified. But it is encouraging."

He said that "very precious" and "crucial" points remain to be ironed out but he thought that "we are edging towards the mutual objective" of nuclear arms limitation.

## Socialists back Soares

BY WILLIAM DUFFELL

SOCIALIST leaders from 11 West European countries decided here yesterday to set up a "committee of friendship" to support the Portuguese Socialist.

At a one-day meeting at the Hotel Hesperia, they also received unanimously the support of the Arab world to exclude Israel from the United Nations.

The participants, who include seven heads of Government, among them Mr. Harold Wilson and Chancellor Helmut Schmidt of West Germany, were clearly in a mood to support the subject of economic aid to Portugal, despite the optimistic views of Sen. Mario Soares, the Portuguese Socialist leader, who

urged that aid should be given without attaching any political strings. Sen. Soares believed future legislative, municipal and union elections in Portugal could lead to a restoration of political democracy. M. Francisco Mitterand, the French party leader, said it would be wrong to judge the Portuguese situation and to refuse aid to a country on the way to development.

At the joint Press conference after the meeting Mr. Wilson, however, warned that aid from the European Economic Community would be "slow in coming," unless there was a speedy return to "pluralistic democracy" in Portugal.

and other claims on Bonn from people living in Poland. Initialing of a formal agreement due to take place this week with a signing ceremony expected in October.

The agreement is a clear compromise in which both sides have given ground in order to put often frosty Bonn-Warsaw relations on a more favourable footing. West Germany has stuck to its decision not to offer more than DM1bn. in credit, but it has more than doubled its previous offer of DM500m. to cover other Polish claims.

Meanwhile, Bonn will make credits and cash payments to Warsaw totalling DM2.3bn. Of this sum, DM1bn. will be a credit offered at the exceptionally low rate of 2.5 per cent. interest, while the rest will cover pension

## New coup in the Comoros

By Robert Mauthner

PARIS, August 3. THE COMORO ISLANDS, the four-island French archipelago in the Indian Ocean, situated between Madagascar and Mozambique, was the scene today of a second coup d'état within a month, according to reliable reports reaching Paris.

After the unilateral declaration of independence from France adopted at the beginning of last month, a pro-French group called the National United Front, today overthrew the new Government formed by President Ahmed Abdallah and announced on the radio that they were now in control of the Comoro capital, Moroni.

Ironically, the principle of the islands' independence, which was fully accepted by France following a referendum last December, when 90 per cent of the archipelago's population voted for autonomy, is not at stake. The bone of contention is the fate of only one of the islands: Mayotte, whose racially diverse inhabitants opted by a substantial majority to remain part of France.

Firing broke out in Moroni early this afternoon, but four hours later, the National United Front, embracing all the Opposition groups, announced on the radio that it was in control of the situation and that the coup had been entirely bloodless.

On the French side, the only official comment that has been made is by M. Leandri, the chief French representative in the Comoros, who said that the whole matter was purely an internal affair for the islands. It was now up to the new Government to resume the dialogue with the French authorities.

There can be no doubt, however, that the French Government is seriously embarrassed by the whole affair. It does not dispute the principle of independence, but because of the adverse publicity the problem has received in France, it must take account of the wishes of the population of Mayotte.

## BOUGAINVILLE

## Making a break for it

BY PETER DUMINY

BOUGAINVILLE secessionists have at last set a date for the island's breakaway from Papua New Guinea before the former trust territory becomes an independent on September 16.

The reaction to this prospect in Port Moresby is naturally not cheerful. But it is not excessively gloomy either. Mr. Michael Somare's Government is firmly determined that the secession will not succeed, and the more it considers the possibilities the more hopeful it feels about the outcome.

The Government's resolve is a product of necessity. This is because the operations of Bougainville copper constitute much the largest source (other than Australian aid) of Papua New Guinea's public revenue, the mine yielding Kina83m. (£53m.) last year. There is also a painful awareness that if Bougainville goes, several other pieces of the ethnically diverse and geographically scattered state would be likely to drop off as well.

However, the Government has more than simply desperation on its side. Already the secessionists must have had the irritating feeling that they are boxing a shadow, and this feeling seems likely to grow as they seek to force a confrontation.

Partly this is a matter of geography. A lot has been printed about the fact that Bougainville and its 30,000 people belong, but for an accident of political history, in the Solomon Islands, not with Papua New Guinea. While this is true, it seems less important than the fact that nobody, other than the Australians or the Bougainvilleans themselves, appears capable of challenging Port Moresby's sovereignty in the foreseeable future.

The Solomons would no doubt like to do just that, but lack the muscle. Everybody else, from mining interests to great powers, is likely to have to accept that Bougainville is irrevocably within Australia's orbit of influence. Australia is determined that Bougainville should

be part of Papua New Guinea, since without Bougainville's copper wealth the new state could be independent in name only and a permanent burden on Australian taxpayers.

Thus (or so it appears at this stage) Papua New Guinea will start from the comfortable position of being able to regard the rebellion as a purely internal matter. This will not be another Bangladesh. Nor, pace Miss Margaret Mead, will it be another Kalanga. This noted social anthropologist recently claimed that Conzinc Riotinto of Australia, the controlling interest (with a 53.6 per cent stake) of

PORT MORESBY, Aug. 3

The leaders of Bougainville's secession movement announced tonight the copper-rich Pacific Island will break away from the rest of Papua New Guinea on September 1. The independence declaration came in a statement issued on behalf of the Bougainville Provincial Government.

Mr. Hannett, Bougainville district planner, who read the statement to Reuters by phone, said the decision was made by

Bougainville copper, would logically be supporting the secession to get itself off the hook of the stiff tax and other conditions negotiated with the Port Moresby Government last year.

Where the logic falls down is that CRA would be most unwise to pursue policies diametrically opposed to Canberra's. It would also profit the company nothing to underwrite a rebellion which has no hope of succeeding in the short or long run. In fact, the mining company appears to be keeping itself scrupulously aloof from local politics.

The international setting in turn enables Port Moresby to adopt a notably relaxed attitude to the islanders' demands and declarations, including the decision to secede (announced in

May without a day being fixed) by the so-called Bougainville Provincial Assembly (BPA), an unofficial and self-appointed body.

The Central Government's strategy has not been spelled out in so many words, but has clearly taken the form of metaphorically disarming the Bougainvilleans at every opportunity.

Among other things—a secessionist (Dr. Alexis Sarei) was, for example, appointed District Commissioner (Port Moresby's chief representative) on the island—there has been legislation to give Bougainville a pro-

37 leaders from all over the island who met at the provincial assembly building yesterday.

It will be part of an answer to a request last week by Chief Minister Michael Somare, who called for proposals to end the confused situation on Bougainville and a deadline of tomorrow for suggestions. Mr. Hannett said yesterday's meeting also decided to set up an independent government on Bougainville.

vincial Government, with elections due this year. Other legislation has given Bougainville, as of right, the royalties from the mining operation (between K2m. and K4m. a year, depending on world copper prices).

In addition, K4m. was spent on public works on the island in 1974-75, well above the national average.

To the extent that Port Moresby has anything to do with it, breakaway announcements and other dramatics in Bougainville will make little difference to the life of the average citizen, either on the island or anywhere else in Papua New Guinea.

In particular, the mine will keep mining, the copper will keep moving, the central Gov-

ernment will continue to draw its contractual revenue from the company, and Bougainville will continue to get precedence for public works projects.

The main immediate impact of the attempted secession is that Port Moresby will try to ensure that funds by-pass secessionist organisations, such as the BPA and presumably the officially recognised Interim Provincial Government (also headed by Dr. Sarei) assuming that it also insists on wearing rebel colours, which it has so far omitted to do in public.

The rationale would be both to reward local councils loyal to Port Moresby (there are some, as indeed there are two Bougainvilleans in Mr. Somare's cabinet) and if possible to impress on Bougainvilleans that good things come not from the secessionists but from Port Moresby.

The BPA has demanded K150m. to launch Bougainville on its independence, but this has been turned down. Needless to say, it is unlikely to be plain sailing for Mr. Somare. There is no doubt that most Bougainvilleans want to secede, and every prospect that the rebel leaders will sooner or later try to paralyse the mining or shipping operations, as tempers rise and they feel pushed to assert their *de facto* authority.

At that stage the situation may become unpleasant—even though it is not certain that a general strike would be complete (since about half the mine's 3,500 labour force comes from other parts of Papua New Guinea, and there are also ethnic differences in the indigenous population).

Bloodshed unfortunately cannot be ruled out. But even if it comes to that, it is difficult to see how ill-equipped islanders, comparatively few in number and without external help, will indefinitely be able to resist a central Government fighting to retain its richest asset. In short, Bougainvilleans will ultimately have to accept the role that his-keep moving, the central Gov-

## Bonn, Warsaw finalise accord

BY JONATHAN CARR

BONN, August 3.

WEST GERMANY has achieved a major breakthrough in its relations with Poland after many months of disputes. Their accord opens the way to bilateral co-operation in a whole series of fields where progress has long been stalled.

Nearly five years after the Bonn-Warsaw Treaty intended to normalise relations, West German and Polish leaders have reached agreement on two major questions which have bedevilled ties between the two states. They are the problem of resettlement of ethnic Germans, now living in Poland, in the Federal Republic, and that of payments by Bonn to Warsaw for credits and for claims arising from the war.

The solution of both has been especially difficult because of the deep emotions involved—on the

Polish side as a nation which suffered particularly bitterly from the Nazi occupation, and on the West German side where many claimed with anger that the Poles were trying to extract cash in return for humanitarian repatriation.

Under the agreement reached in Helsinki this week-end between Chancellor Helmut Schmidt and Polish Communist leader Edward Gierek, at least 120,000 Poles claiming German origin will be allowed to leave for West Germany in the next four years.

Meanwhile, Bonn will make credits and cash payments to Warsaw totalling DM2.3bn. Of this sum, DM1bn. will be a credit offered at the exceptionally low rate of 2.5 per cent. interest, while the rest will cover pension

and other claims on Bonn from people living in Poland. Initialing of a formal agreement due to take place this week with a signing ceremony expected in October.

The agreement is a clear compromise in which both sides have given ground in order to put often frosty Bonn-Warsaw relations on a more favourable footing. West Germany has stuck to its decision not to offer more than DM1bn. in credit, but it has more than doubled its previous offer of DM500m. to cover other Polish claims. Warsaw, meanwhile, is agreeing to the departure of a very substantial number of ethnic Germans, many of whom are well qualified and whose passage to the West will be a loss for the Polish economy.

## Two dead in Spanish gun-battles

BY ROGER MATTHEWS

MADRID, August 3.

ANOTHER MEMBER of Spain's para-military Guardia Civil was shot and killed last night in a southern suburb of Madrid and a colleague wounded, to conclude one of the most violent weeks in the country's recent history. On Wednesday at least four separate gun battles were fought in the city, a house stormed under machine-gun fire, a bus hijacked by a gunman, and a senior civil servant held hostage in his flat.

Although the tally of victims still has not been made official, two men have died and at least three have been wounded. In Barcelona a gun battle is thought to have left at least one presumed member of the Basque separatist organisation ETA wounded, while two women passers-by were hit by bullets. Just outside Barcelona yesterday another young man was hit when Guardia Civil opened fire on a speeding car.

In the northern Basque region there have also been violent incidents. A taxi driver, who is thought to have been a police informant, was machine-gunned to death in his cab, and the property of a Basque nationalist sympathiser attacked by bombs.

The security forces seem to be engaged in two separate battles:

one against the ETA and the other against FRAP, an extreme Left-wing group. According to semi-official sources, police have arrested around 20 people in the past few days and may have caught at least two senior members of ETA.

Police throughout Madrid have been issued with extra arms. An increasing number of them now carry sub-machine-guns. Two weeks ago in separate incidents

in Madrid a police officer was shot dead and another critically wounded.

Meanwhile, the arrest of two more captains, one from the artillery, the other from the air force, has been announced by the Captain General's office of Spain's first military region, which is based in Madrid. As with the arrest of a major and six captains last Tuesday, no further details have been given.

## 'No democracy' for Brazil

BY OUR OWN CORRESPONDENT

RIO DE JANEIRO, Aug. 3.

PRESIDENT Ernesto Geisel told Brazilians in a televised broadcast he was still aiming at a more liberal political system, but that he had no intention of returning to the kind of Democracy Brazil had before the 1964 Army coup.

The long-awaited speech, in which the 67-year-old generalist outlined the progress made in his 17 months in office, caused disappointment among Opposition leaders, who had hoped for a stronger political initiative at the end of the July Congressional recess.

Reaffirming the relatively open

approach of his Government, the President placed the emphasis on improved social benefits rather than political changes. Any question of lifting the special powers imposed by earlier military presidents was ruled out. Suggestions that the Government should ease its disciplinary powers, allow political activity in the universities, or grant an amnesty to those who have been removed from the national scene, marked an undisguised nostalgia for the post-remote past, he said. The Government would not be pressured into taking short cuts towards political evolution.

The 20 arrests and dismantling of the group in Egypt was announced in today's Al-Akhar newspaper which said the members had been charged with attempting to overthrow the Egyptian Government and change the political and economic system.

● Egyptian Finance Minister, Ahmed Abu Ismail said here today that the Soviet Union had shown full understanding of the need to solve the question of rescheduling Egypt's debts.

## Thieves work on holidays. Most travellers cheques don't.



## Cyprus agreement welcomed

By Our Own Correspondent

NICOSIA, August 3.

THE agreement reached at the Cyprus talks in Vienna enabling some 9,000 Turkish Cypriots in the south to cross to the Turkish-held north, if they so wish, has been generally welcomed by both sides in the island as a move which removes the immediate threat of a new crisis and which opens the way to a settlement.

But the Greek Cypriot Socialist Party, led by Dr. Vassos Lyssarides, which supports President Makarios, today strongly attacked Greek Cypriot negotiator Mr. Glafkos Clerides for agreeing to the transfer of the Turks to the north. The party's newspaper "Ta Nea" said Clerides' consent amounted to recognition of the island's partition and acceptance by him of the fait accompli created in Cyprus by Turkey through the use of force.

Speaking to reporters on his return from Helsinki, where he attended the European security summit, president Makarios avoided any comment on the Vienna accord.

## Sadat blamed for OAU 'failure' on Israel move

BY IHSAN HIJAZI

BEIRUT, August 3.

A NEW and sharp inter-Arab row has developed since President Anwar Sadat of Egypt has been blamed for the failure of the African summit conference in Kampala last week to adopt a resolution calling for the suspension of Israel at the United Nations.

The Palestine Liberation Organisation (PLO) has indicated it intends to reconsider its stand regarding the Egyptian Middle East policy, while Libyan leader Col. Muammar Khedafi was reported to have accused Sadat of betraying the Arab and Palestine cause. Strong criticism of the Egyptian stand at the summit of the Organisation of African Union (OAU) has also been voiced by Ali Moudjahed, the weekly publication in Algiers which reflects the views of the regime of Col. Houari Boumedienne.

President Sadat cut his participation at the Kampala meeting short and returned home but before he expressed reservations about the attempt to have Israel expelled from the world body. He maintained that if Israel is suspended it would then renounce its commitments to UN resolutions on a Middle East settlement.

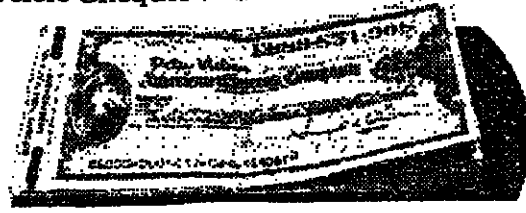
Reuter reports from Cairo: Arab League Secretary-General Mahmoud Riad said here today the resolution passed by the OAU summit in Kampala, aimed at putting greater pressure on Israel through the United Nations, was a complete success for the Arabs. Mr. Riad said the Arabs were not trying to expel Israel from the UN, but aiming to pressurise it into implementing its resolutions on the Middle East.

Michael Tingay wrote: The continuing clamp-down on Egypt's disaffected groups has led to the arrest of all the members of a group of 20 Left-wingers said to be linked with the Arab Communist Party, five of whose members were hung yesterday in Syria.

The 20 arrests and dismantling of the group in Egypt was announced in today's Al-Akhar newspaper which said the members had been charged with attempting to overthrow the Egyptian Government and change the political and economic system.

● Egyptian Finance Minister, Ahmed Abu Ismail said here today that the Soviet Union had shown full understanding of the need to solve the question of rescheduling Egypt's debts.

Most travellers cheques can't give you a refund on weekends, holidays or any time outside normal banking hours. But American Express® Travellers Cheques can.



In fact, they're the only travellers cheques that can. If your American Express Travellers Cheques are ever stolen or lost you can get them replaced—usually on the same day.

You can even get an emergency refund on weekends and holidays to tide you over in major

travel centres of the world. And get the balance of your refund usually on the next business day.

What's more, American Express Travellers Cheques are the most widely accepted travellers cheques in the world. They're available in seven international currencies: pounds sterling, U.S. Dollars, Deutsche marks, Swiss francs, French francs, Canadian dollars and Japanese yen. Insist on them where you bank.

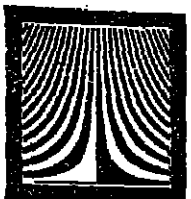
You carry travellers cheques to protect your holiday. So carry the travellers cheques that protect your holiday every day.

Carry American Express Travellers Cheques. Your holiday could depend on it.



American Express Travelers Cheques. Don't leave home without them.





# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## METALWORKING

### Spray forging saves energy

PATENTS have been secured on a new process which provides a novel approach to the production of forged components, saving both considerable amounts of energy and of time, as well as raw materials.

Osprey Metals, Neath, Glamorgan, and BOC have concluded a joint agreement to develop and market the spray forging process. This is applicable to a range of alloys which include non-ferrous, ferrous and the "super-alloys."

In the process, melted scrap is atomised with the aid of high pressure jets of inert gas. These help to direct the resulting spray of metal droplets into a shaped mould to make a high density preform for forging.

The whole process takes only seconds to convert molten steel, for instance, into the finished product. Conventional processes take considerably longer and, in addition, cannot accept scrap materials directly as a feedstock,

having to rely on raw materials that have been part-processed, usually outside the user's plant.

Osprey and BOC claim that cost savings of some 50 per cent. can be shown over conventional methods of making forgings from bar stock or powder.

#### Properties

Pilot plant is operating at Neath and tests on initial products have shown that they have properties comparable with drop forgings in the same materials.

The protagonists of the process, which has been called "Osprey," say there is no reason why it should not be applied to the most difficult high-stress alloys.

Dr. Gwyn Brooks of Osprey Metals told the Financial Times that so far as he could see there was no limitation on the mould shape that could be successfully

sprayed. Fairly complicated designs, such as bevel gears, had already been made with success and there was no reason why such things as turbine blades, normally difficult to forge because of the materials used, should not be made with Osprey techniques. He stressed that the company had not yet done this, but was game to try any mould or preform mould submitted with a great deal of confidence as to the outcome.

Savings of 50 per cent. mentioned above, could mean a significant export advantage to the U.K. forging industry whose output is around the 600,000 tons per year mark.

BOC, Metallurgical Processes Department, 15/17 Northgate, Baldon, Shipley, Yorks, BD17 6JZ, Bradford (0274) 59527. Osprey Metals, Red Jacket Works, Millands Road, Neath, Glam., SA11 1NJ. Neath (0639) 3543.

## ELECTRONICS

### Will test any board

ACCORDING TO Applied Digital Devices the best kind of "in-depth" testing is carried out by skilled engineers and the best way to make such people is to hire them on a job-by-job basis.

The alternatives are to buy the appropriate automatic test equipment at high capital cost, or buy in skilled test personnel, again at high cost and suitably equip them.

Applied Digital is therefore offering a service which it says removes the entire test problem from the shoulders of production managers. It is already handling the complete test requirements of one or two very large PCB assembly producers, to military and commercial customers.

The company says that customers are saving money by shipping PCBs to Applied Digital's Welwyn Garden City laboratories and collecting them after testing; and since operations are at a skilled level, faults can be identified and rectified at the same time.

Applied Digital is therefore offering a service which it says removes the entire test problem from the shoulders of production managers. It is already handling the complete test requirements of one or two very large PCB assembly producers, to military and commercial customers.

The company says that customers are saving money by shipping PCBs to Applied Digital's Welwyn Garden City laboratories and collecting them after testing; and since operations are at a skilled level, faults can be identified and rectified at the same time.

## COMPONENTS

### Compressor is compact and quiet

A LINEAR compressor has been introduced by Tex Abrasives, Greenstead Road, Colchester, Essex (0206 7871) which is claimed to be light, simple, safe, quiet and economical.

Alternating current is half-wave rectified and applied to a fixed electromagnet creating an intermittent magnetic field. The clamping motion of an associated piston is obtained by alternating magnetic attraction and the reaction of a coil spring.

With a 50 Hz supply, 3000 strokes/minute are obtained. Measurements of the unit are only 184 x 120 x 115 mm and the weight 3.2 kg. Since there are few parts, maintenance is infrequent and moving components are Teflon-coated, making lubrication unnecessary.

Maximum air pressure available is 8 psi with delivery of 0.85 to 1.1 cubic ft./min. Liquid rate of flow is one gallon/min. (4.5 litres/min.). The piston stroke is 13mm and consumption from the mains 40 W maximum.

Performance of these transformers is comparable with defence specifications. R. A. Webber, Knappes Lane, Clay Hill, Bristol BS5 7UJ, Bristol 657225.

## DATA PROCESSING

### Worldwide systems analysis

AFTER THREE years of existence, much of it simply concerned with getting research projects agreed, funded and started, the International Institute for Applied Systems Analysis at Schloss Laxenburg near Vienna is beginning to get its stride.

The Institute, as yet hardly known in Britain, though the U.K. is one of the countries involved was set up as the result of a joint American-Russian initiative—between them they still pay two-thirds of the annual running expenses—and now has all told fourteen member countries.

Officially, membership is non-governmental. In practice, the membership is usually organised by the national academy of sciences or its equivalent, which means that the research has the approval of the countries concerned and is funded by them, though at one remove through

their member organisation. IASA was set up to research into characteristics and control of large-scale computing systems. The problems have to be of an international nature. Either they must be global, to that solutions would require the co-operation of many nations (pollution, water resources for instance), or they are universal in that countries face similar problems—urban and regional development, energy systems and the like.

#### Progress

So far, most progress seems to have been made on the second front, though it is, of course, as yet too early to talk in terms of solutions for the Institute has not been in serious working existence for more than 18 months.

IASA's strengths are becoming evident, particularly in two areas in which the necessity for joint international research has long been apparent. The first is concerned with the first management of large development projects.

It is mounting three large retrospective case studies of comprehensive regional development projects. The Tennessee

Valley Authority in the U.S. has already been researched. The second IASA program, a large-scale, 15-year-old comprehensive regional development plan in Siberia, is to be researched, including visits by a multinational team this autumn. The team will be looking at the Russian experience in the planning and development of power generation, water control, transport, land utilisation, industries, agriculture, etc. It is the first time that the Soviet Union has allowed outsiders to look at its management of a major development project in any depth, and much is expected from this.

The third case study is expected to be carried out in Iran. The work is being done under a UNEP contract, and should result in concrete conclusions which would be of help to third world countries.

The TVA and Bratsk Dam Project studies should provide guidelines which can be applied in the third case study, also likely to be treated as a pilot project. The main interest lies in the comprehensive planning and effective management of such projects. Any conclusions would be of considerable interest

to other governments.

The second area causing much interest is the IASA study of integrated industrial systems. The first major research project in this area has been concerned with the steel industry, reviewing integrated systems, control, the broad spectrum of decision making and control functions (process control, operations control, scheduling, planning, etc.) on an international basis. Nearly 30 plants in 11 countries plus a number of other institutions have been visited.

Conclusions are expected to be published later this year, but the draft report points out that the only fully integrated systems at the works level are to be found in Japan.

## HANDLING

### Cuts costs in the mailroom

NEW desk-top paper handling equipment is being marketed in the U.K. by Roneo-Neopost mailroom division of the Roneo Vickers Group. It can reduce mailroom overheads by as much as 80 per cent. through modular construction and adaptability for virtually any paper handling task, speed of operation. It requires one operator.

F10 System Five is manufactured in Holland by the Group's subsidiary Hadewe B.V. and comprises a F10 folder-inserter which can be electronically linked to a series of machines for feeding standard sized material, computer print-outs, crossfolding, nesting an insert, on-line postal franking and stacking.

The largest combination is of four machines which provide for folding a document, crossfolding, counting, inserting and sealing into envelopes, franking and stacking, in one sequence and needing one operator. Speed is up to 3,500 filled envelopes an hour.

Cost of a basic inserter installation is from £1,750 and the equipment is available on lease. Main markets are for account-

ing and invoicing procedures in small to medium sized companies processing between 2,000 and 20,000 documents per month. Roneo-Neopost, 74 Upper Richmond Road, Putney SW15 2SZ. (01-874 0404.)

## POWER

### Inverter is robust

MANUFACTURE has started at Avel-Lindberg of a 500 VA regulated static sine-wave inverter designed to operate under the adverse environmental conditions frequently encountered in airborne, airborne and land mobile applications, including vibration, shock, salt spray, humidity and heat.

Models for 50 and 60 Hz are available and taps on the output transformers provide output voltages of 24, 48, 110, or 230 V dc in five-volt increments.

The nominal input voltages are 24, 48, 110, or 230 V dc in the 50 Hz version and change between 85 and 120 per cent. of nominal without altering the output by more than 2.5 per cent. while loads up to 500 W are applied. Distortion of the sine wave output is about 7 per cent. frequency stability  $\pm 0.5$  per cent.

Designated MP4, the unit employs a saturated toroidal transformer resulting in very

low radiated rf interference. Up to three of the inverters can be paralleled and synchronised to increase the power rating to 1500 VA. More from the company at South Ockendon, Essex, RM15 5TD (South Ockendon 3444).

### Guaranteed against defects

FIVE YEARS' guarantee is offered on new "Polyweb" multi-purpose transformers available from R. A. Webber.

The windings of the transformers are vacuum encapsulated in polyester resin and the complete units protected by drip-proof cases, offering flying leads, protected terminals or conduit entry in one enclosure.

Winding insulation is of the order of 100,000 megohms, withstanding BS3535, 4000 volt AC winding-screen-winding test at five times working voltage.

The filler used with the resin has high conductivity giving efficient heat dissipation from core and windings. It also renders the transformer fire-proof.

Performance of these transformers is comparable with defence specifications. R. A. Webber, Knappes Lane, Clay Hill, Bristol BS5 7UJ, Bristol 657225.

## PROCESSES

### Continuous sieving

CONSTANT introductions of improved technology in the food and chemical process industries create a demand for continuous operating sieving machines of ever larger capacity.

Twin Turbo Finex is a compact machine designed for this purpose using operational components of two Russell Finex units.

The machine is fabricated from heavy gauge stainless steel and incorporates sanitary design, which includes the provision of a large inspection door to facilitate the rapid removal of all internal components for sterilisation.

The body is so constructed that corners are radiused, welded joints being formed away from these points, where they can be ground flush to avoid the creation of crevices and thus meet the strictest hygienic standards. Ample body clearance is provided to accommodate the high volume throughput of the twin spring assemblies.

Each assembly consists of a readily removable sieve cage, supporting the desired metal or textile sieve sleeve, inside of which is the rotating impeller.

Each shaft is driven indirectly from a 3-hp motor through a toothed timing belt, providing the facility of choice of impeller speed to meet the sieving characteristics of the material being handled. A further advan-

tage of this design is the provision for operation at full or half capacity, as required.

Facilities for testing the Twin Turbo Finex model are available at Russell Finex, Russell House, Adam Street, London W.C.2 (01-836 0053).

## PACKAGING

### Inspecting roll packs

INTENDED FOR use on a line immediately after rollwrapping machinery is an inspection unit able to deal with 200 packs a minute. IASA's (Norwich) is particularly suitable for circular roll packs containing tablets, chocolate pieces, lozenges and similar items.

Six operations are performed. First, the roll end folds are pressed to ensure correct detection in the ensuing operations. A check is then made for short packs by means of a plunger travel; if more travel is detected than normal a signal is sent to the machine's memory unit.

Foil sensors check each end of the pack in the next operation, and the memory is notified if the foil is missing. The fourth section looks for misplaced or missing labels using a photocell, and the memory is notified if a label is missing.

The sixth and final system rejects faulty rolls using a solenoid actuated by the memory unit. The completed rolls are then directed to the packing line.

Industrial Estate, Norwich (0623 49231).

## OFFICE EQUIPMENT

### Rotating the work

ROTOBOARD of Bridgnorth has effectively applied some lateral thinking to the problem of draughting, producing a draughting instrument, the RotoBoard, for architects, engineers or designers, consisting of a circular, rotating drawing table incorporating the original notion that the drawing itself should move around the drawing instrument instead of vice versa.

It not only works but offers the draughtsman a number of other advantages.

The board is only available in A3 size (working area 297 x 420 mm., 11.69 x 16.54 inches) and incorporates a sliding horizontal rule and a spirit level. The latter allows parallel rules to be drawn at predetermined intervals from 0.1 mm. upwards by simply dialling the space interval required on the rotating table and spacer unit.

The rotating table moves freely, may be locked in any position or clicked into the common angles, 0, 30, 45, 60 or 90 degrees. Because the drawing itself rotates, set squares are not necessary and the draughtsman is able to view the drawing in the shadow of the drawing instrument, traditionally a common source of errors.

Another practical feature is that degrees of the circle are calibrated on the table so that angled lines may be drawn from the outside towards the centre, further reducing risk of errors.

### Heating

### Warms pipes in danger zones

ELECTRIC HEATING tape suitable for application to pipe-work in Zone One explosive atmospheres can now be supplied by Isopad, Barmston, East Yorkshire, Herts WD25AF. (01-863 6274).

Designated FTW/SS, the tape is the basis of BASFEEFA test report 2/75 which states Isopad is confirmed by the Factory Inspectorate as having the same level of safety as the respective Standard exists for trace heating equipment.

The tape, which offers an alternative to the traditional metal sheathed mineral insulated cables, provides strength and flexibility, as well as ease of installation and is available from stock.

# CONTRACTS AND TENDERS

## NOTICE No. (245)

### NATIONAL DEVELOPING PLAN PROJECTS MINISTRY OF MUNICIPALITIES—IRAQ THE SEWERAGE BOARD

#### TENDER FOR

CONSTRUCTION OF NAJAF-KUFA SEWERAGE SCHEME/STAGE 1  
CONTRACT No. 1—CIVIL WORKS FOR THE TREATMENT PLANT & PUMP STATIONS  
SUB-CONTRACT No. 1/M—MECHANICAL & ELECTRICAL INSTALLATIONS FOR THE TREATMENT PLANT & PUMP STATIONS

#### CONTRACT No. 2—SANITARY SEWERS NETWORK

The Sewerage Board invites the experienced tenderers to participate in tendering for the above mentioned contracts and sub-contract for any one of them. A brief description of the works included in the two contracts and sub-contract is summarized below—

#### 1) CONTRACT No. 1

Civil Engineering Works for the construction of two area sewage pumping stations (One at Najaf and the other one at Kufa city) and a Sewage Treatment Plant serving 220,000 population equivalent and consisting of settling tanks, pumping stations, sludge digestion tanks, biological filters, sludge drying beds, chlorination building, administration and control building together with the ancillary works such as pipework, channels, roads, fences, etc.

#### 2) SUB-CONTRACT No. 1/M

Supply and erection of all electrical and mechanical equipment for the two area Sewage Pumping Stations and for the Sewage Treatment Plant described above.

#### 3) CONTRACT No. 2

Construction of approximately 185 Kilometres of pipe sewers ranging in diameter from 200 to 1,000 mm. together with the construction of manholes, house connection laterals and other ancillary works to the network.

Fuller and more precise details of the works are given in the Contract Documents. Two sets of the Tender Documents plus one set of the Drawings can be obtained from the SEWERAGE BOARD'S office in Baghdad against payment of ID. 50/- (fifty Iraqi Dinars) unrefundable for each of the two Contracts and the Sub-Contract.

Tenders must be accompanied by a preliminary deposit either in cash or certified cheque or by a bank guarantee issued by one of the Government banks in Iraq valid for a period of not less than six months from the tender closing date and of the sums as follows—

- a) ID. 30,000/- For Contract No. 1
- b) ID. 7,500/- For Sub-Contract No. 1/M
- c) ID. 50,000/- For Contract No. 2

Iraqi tenderers should be members of the Chamber of Commerce, bearing Income Tax certificate for this year and classified according to the Planning Board's instructions as follows—

- a) 2nd Class Contractors for Contract No. 1
- b) 3rd Class Contractors for Sub-Contract No. 1/M
- c) 1st Class Contractors for Contract No. 2

The preliminary deposits together with other certificates and documents as required above and as specified in the "Instructions to Tenderers" of the Contract Documents should be contained in a separate envelope and enclosed together with the Tender, clearly written on the outside the name and number of the Tender and deposited in the Tender Box at the Ministry of Municipalities in Baghdad before 12.00 noon on Wednesday, October 1st, 1975.

N. Alani  
D.G. & Chairman  
of the Board of Directors  
Dr. Najmaddin Abdul Latif

## NOTICE No. (246) NATIONAL DEVELOPING PLAN PROJECTS MINISTRY OF MUNICIPALITIES—IRAQ THE SEWERAGE BOARD—BAGHDAD

### TENDER FOR CONSTRUCTION OF WEST BANK TRUNK SEWER FOR BAGHDAD SEWERAGE SCHEME (CONTRACT 207)

The Sewerage Board invites the experienced tenderers to participate in tendering for the above mentioned contract. A brief description of the works comprised in the Contract is as follows:

- a) 1st section—the construction of approximately 4.15 kms of 3.0 metres diameter Trunk Sewer of cast in-situ reinforced concrete having a wall thickness of 45 cms, and the construction of short lengths of subsidiary sewers connections ranging in diameter between 450 to 1000 mm.
- b) 2nd section—the construction of approximately 3.80 kms of 3.0 metres diameter Trunk Sewer of cast in-situ reinforced concrete having a wall thickness of 35 cms and the construction of short lengths of subsidiary sewers connections ranging in diameter between 450 to 1000 mm.
- c) The construction of manholes on the abovementioned sewers.
- d) The lining internally of the trunk sewer and associated manholes with anti-corrosion protective materials.

An alternative Design and method of construction can be offered by the tenderer provided it is approved by International consultants. Tenderers may submit their offer for either section or for the whole length of Trunk Sewer.

Iraqi tenderers should be members of the Chamber of Commerce, bearing Income Tax certificates for this year and classified as first class contractors according to the Planning Board's classification.

Tenders must be accompanied by preliminary deposit either in cash, certified cheque or by a bank guarantee of the sum ID. 40,000/- (Forty Thousand Dinars) for any section of the contract or ID. 80,000/- (Eighty Thousand Dinars) for the whole contract and valid for a period of not less than six months from the closing date of the Tender.

The complete set of the Tender Documents can be obtained from the Sewerage Board's office in Baghdad against payment of ID. 50/- (Fifty Iraqi Dinars) which sum is unrefundable. The preliminary deposit together with other certificates and documents as required above and as specified in the "Instructions to Tenderers" of the Contract Documents should be contained in a separate envelope and enclosed together with the Tender and deposited in the Tender Box at the Ministry of Municipalities before 12.00 noon on Wednesday, September 3rd, 1975.

N. Alani  
D.G. & Chairman  
of the Board of Directors  
Dr. Najmaddin Abdul Latif

## 330 KV TRANSMISSION SYSTEMS

### SUBSTATIONS

Applications to tender are invited for the manufacture, supply, delivery, erection and commissioning including civil work on a turn-key basis of:

- LOT 4:  
Three (3) substations 330/132/13.8 KV. at Ikeja-West, near Lagos, Kano and Ibadan.

The construction will be financed by National Electric Power Authority (NEPA), Lagos, Nigeria. Payments will be made in the currencies quoted by the bidders. Expenses incurred in Nigeria will be paid in Nigerian currency (Naira) only. Applicants must submit evidence of their legal and financial status and a detailed description of previous experience in work similar value and scope. Their evidence will be considered as prequalification documents.

The required completion time for the project is very short and requires a special effort in manufacture, erection and commissioning to keep to the schedule. Tender documents for substations will be available on 8th October 1975 and may be obtained through a written application accompanied by a cheque for the non-refundable charge of Swiss Francs 500 to the consultants:

Motor-Columbus Consulting Engineers Inc.  
Parkstrasse 27,  
8401 Baden/Switzerland.  
Telex No. 54 532 Moco Ch.  
Phone 056 22 94 21.  
A copy of the application shall be addressed to the National Electric Power Authority. The tender closing date is 21st January, 1976.

A. G. McKee & Co.,  
on behalf of  
YACIMIENTOS PETROLIFEROS  
FISCALES BOLIVIANOS

### INTERNATIONAL PUBLIC LICITATION NO. 3

PURPOSE: Supply of mixers for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On October 7, 1975 at the below-mentioned offices, at 11.00 a.m. The bids will be received until that date and time.

### INTERNATIONAL PUBLIC LICITATION NO. 4

PURPOSE: Supply of propane refrigeration unit for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On October 8, 1975 at the below-mentioned offices, at 11.00 a.m. The bids will be received until that date and time.

BID BOND: 5% of the amount of the bid.

INQUIRIES AND DOCUMENTATION: Inquiries may be made and specifications and bidding conditions may be secured at the office of "A. G. McKee & Co.", Hipólito Yrigoyen 440, 8th floor, Buenos Aires, Argentina.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. \$50.00 or its equivalent.

VALIDITY OF OFFERING: Thirty days following bid opening date.

FINANCING: by the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 225/OCSO with the Government of the Republic of Bolivia.

### INTERNATIONAL TENDER NOTICE FOR PURCHASING 36 ITEMS GARAGE AND WORKSHOP EQUIPMENT

1. SHERKAT VAHED AUTO BUS RANI TEHRAN (UNITED BUS COMPANY) intends to purchase through international tender 36 items of garage and workshop equipment under the Loan Terms and Conditions of the International Bank for Reconstruction and Development (World Bank).

2. The subject equipment and accessories should be in accordance with the specifications which are the integral part of the tender documents and which will be available, free of charge, to the bidders.

3. The local bidders may obtain, free of charge, technical specifications and the tender terms and conditions every day except holidays until September 30, 1975 during office hours from the Transaction Department (Monday to Friday) of the United Bus Company Headquarters in Narmak.

4. The foreign bidders (Member of the BIRD as well as Swiss Bidders) may obtain the technical specifications and the tender terms and conditions from the respective Imperial Iranian Embassies until September 30, 1975.

5. The interested local or foreign bidders have to submit to the Secretariat Department of SHERKAT VAHED their offer contained in the sealed and stamped envelopes latest until the end of September 30, 1975.

6. The Tender Meeting will be held at 10 a.m. on October 1, 1975 and will start at 11.00 a.m.

7. The bidders should submit enclosed to their offers, a bank letter of guarantee equal to 5% (five per cent) of the total value of their offers, refundable and issued by an authorized bank.

8. The offers, being considered, vague, without bank guarantee or those received after the due date will not be considered.

9. The representatives of the bidders are free to attend the Tender Meeting.

10. SHERKAT VAHED reserves the right to accept or reject the offers.

SHERKAT VAHED AUTO BUS RANI TEHRAN VA HUMEH

## PLANT & MACHINERY SALES

Description	Price	Telephone
Reconditioned Modern Rolling Mills, Wire Drawing Plant, Slitting, Levelling, Cut-to-Length Equipment, Furnace and extrusion facilities.	P.O.A.	021-556 0904
Wanted Used Storage Tanks surplus to requirements N.C. Flexwriters for Punching N.C. Programme Tapes—Rebuilt with 2 year Guarantee—Save up to 50%.	P.O.A. Prices from £695 £1,350	0742-26622  Dudley (0384) 57453
Fork Lifts Fully Renewed, large selection, 6 months warranty 1973 Newall SA Cylindrical Grinders—High Speed: 12" x 36" Angle Head, Plunge up to 10" wide with copy. Completely equipped.	P.O.A.  From £15,000	01-572 3451  02092-4357
Rubber Processing Plant, Mills, Calenders, etc.	P.O.A.	061-339 2560
Bigwood 16" x 0.049". Cut to length and Forming Line	P.O.A.	0742-26311 Ext. 236 Telex 54119



# Building and Civil Engineering

## Hospital job for Higgs and Hill

HIGGS and Hill Building has been awarded a contract, valued at £4.7m, for the construction of phase five of the Southlands Hospital, Shoreham-by-Sea, Sussex. This is a joint development by the Department of Health and Social Services and the South West Thames Regional Health Authority.

The company says this is one of the first hospital projects to use the Higgs method, one of the current systems designed to rationalise and speed up hospital planning and construction. The Southlands Hospital scheme is intended to develop and evaluate structural and cladding options for the system.

## New way to crush materials

COMPRESSION testing machines with improved operational features are being manufactured and supplied by the research and development division of Head Wrightson at Thornaby-on-Tees, Cleveland. These machines will be of interest to companies who manufacture or use agglomerates or granular materials, especially when it comes to testing concrete cubes.

Previous models have been used extensively by the iron and steel industries throughout the world in the development and quality control of green and fired iron ore pellets, but many other compounds associated with the chemical, mineral and confectionery industries can be accurately tested for compression strength.

The machines are supplied in two basic capacities, 50 kg and 1,000 kg, suitable for use in laboratories or process plants. The 50 kg unit is primarily intended for low-strength pellets and materials, where compression strength and deformation characteristics are of interest. The 1,000 kg unit is designed to determine the maximum compression characteristics of higher strength materials and incorporates a two-speed mechanism to facilitate the high-speed processing and analysis of test samples. Both machines are supplied with associated instrumentation to record deformation and fracture characteristics.

Further details from the company at Yarm, Cleveland, TS15 9DA, Eaglescliffe 781010.

## Conversion of kiln by BOC

FUEL GAS and engineering service department at British Oxygen has completed a second large-scale conversion of a vertical shaft lime kiln to natural gas firing, using a central lance burner.

Both kilns produce 100 tons per day and are owned by Singleton Birch, Melton Ross Quarries, Barnetby. Improved quality, low sulphur levels and appreciable savings in fuel costs are reported compared with solid fuel firing, together with a much appreciated reduction in air pollution.

Developed in Germany by Shell Research, the process introduces gas and air through a central lance burner so that the improvements mean that installation companies working as approved or licensed installers of an Agreement Certificate holder will now come under exactly the same careful examination and rigid scrutiny as that certificate holder.

Until now the NCIC has felt that Agreement approval of a product alone meant very little, as the system gave the manufacturer of the product the responsibility for ensuring his licensed installers were carrying out work to conditions laid down by the Agreement Board. It was felt that this did not provide an adequate measure of control, and that commercial pressures could lead to malpractice.

NCIC was formed with the express intention of establishing and maintaining recognised and uniform standards of practice and conduct in the cavity wall insulation industry, as they believe that an approved installation process provides the best measure of protection to the consumer. The standardisation of all installation contractors by the Agreement Board has gone a long way to providing this protection, NCIC states.

Membership of the NCIC has been restricted to installation companies who have obtained full Agreement Certificates, that is, approval of their installation process, as well as of the products they use. Checks by the Agreement Board on the holders of these certificates ensures that the installation process is maintained at a very high standard. These same checks will now apply to approved or licensed installers.

This action may now have opened the door to future membership of the NCIC to many licensed installers who previously would not have qualified as Agreement approved under the terms of the NCIC constitution.

## Services in shopping centre

HADEN YOUNG, member of the Haden Young Group, has won a £2.2m contract for mechanical and electrical services work on a new shopping centre planned for the centre of Milton Keynes. This city centre project, for which the architects are the Milton Keynes Development Corporation with John Laing Construction as main contractors and Steensen, Marming and Molekay as consultants, is three-quarters of a mile long and a quarter of a mile wide.

Haden Young will provide mechanical and electrical services including air-conditioning, ventilation, hot and cold water, heating and fire prevention. Work on the site will start in September and is due to be completed by October 1977.

The company already is installing air conditioning, heating and hot and cold water services to a value of £300,000 in the first building to go up in the city centre development, a two-storey block comprising offices, shops and accommodation for service trades.

Elsewhere, Haden Young is busy on the new headquarters for Telephone Rentals at Bletchley, Bucks, where the company is providing a variety of services including air-conditioning and fire prevention, to a total value of £680,000.

## Power and lighting

THREE contracts together worth about £2m, have been awarded to Holiday Hall and Co. (Matthew Hall Group). One, awarded by the Dartford Tunnel Joint Committee, is for the installation of power distribution, cabling and electrical services for the new Dartford Tunnel.

The work for Aberdeen Harbour Board, is valued at £880,000 and expected to last 18 months. When the job is completed the entrance (through a lock) will be 44 metres wide, twice the present width. Deepening of the entrance will enable vessels to pass through at any state of the tide.

WIDENING and deepening of the southern entrance to the Victoria and Upper docks at Aberdeen is to be carried out by Mears Construction. The 50 kg unit is primarily intended for low-strength pellets and materials, where compression strength and deformation characteristics are of interest.

The 1,000 kg unit is designed to determine the maximum compression characteristics of higher strength materials and incorporates a two-speed mechanism to facilitate the high-speed processing and analysis of test samples. Both machines are supplied with associated instrumentation to record deformation and fracture characteristics.

Further details from the company at Yarm, Cleveland, TS15 9DA, Eaglescliffe 781010.

## Wimpey nets £3.5m. worth

ABERDEEN district office of George Wimpey and Company has just been awarded a contract valued at £22m. to build 200 married officers' and soldiers' quarters at Cameron Barracks, Inverness.

All but eight of the houses, which are designed by the Department of the Environment, will be built in No Fine concrete—the eight will be built in brick.

Site preparation work has already started and the contract is programmed for 26 weeks. This will bring the total number of married quarters built by the Edinburgh region of Wimpey for the Property Services Agency of the Department of the Environment to over 500 in the last eight years.

Redditch Development Corporation has awarded a contract worth £832,000 for the construction of 15 advanced factory units at Moons Moor, Redditch.

## Kerridge to build £4.8m. Pye plant

THE MAIN contract for the first phase of a £4.8m. building for Pye at Chesterton, Cambridge, has been placed with Kerridge (Cambridge).

The project will include a production centre, laboratories, offices and social facilities for Pye Telecommunications and when this is completed some old buildings in St. Andrew's Road will be demolished to make way for a car park.

Production and storage areas will occupy about 100,000 square feet and a further 67,000 square feet of offices and laboratories will be added when the second phase is started.

As well as incorporating a staff restaurant and gymnasium facilities within the area McAlpine is also to construct a banking vault system. Architects are Thomas Saunders and Associates.

## Filling the space

THE CHEMICAL Bank has awarded a £1.8m. contract to Sir Robert McAlpine and Sons for the siting-out of more than 13,000 square metres of space in the Arundel Great Court office and hotel complex now nearing completion in the Strand, London W.C.2.

As well as incorporating a staff restaurant and gymnasium facilities within the area McAlpine is also to construct a banking vault system. Architects are Thomas Saunders and Associates.

## Resurfacing motorways

THE Department of the Environment has accepted a £16m. contract for the construction of a 185-acre aircraft apron at Edinburgh Airport.

Associated work will include site clearance, excavation and landscaping, drainage including a pumping station, ancillary surfacing about seven miles of building and service ducts.

Work has just started and is due for completion in about 14 miles of the two-lane south-year.

## £6½m. work by Fairclough

TO-DAY, a 54m. stretch of motorway is being opened on the M66 on behalf of the Greater Manchester County Council.

The stretch—Bury easterly by-pass, southern section—runs from a point on the Middleton Link (Simister Lane, Prestwich) to Rochdale Road, A58 Heap Bridge Bury.

It has demanded the construction by Fairclough, of 14 bridges of various types, built for the north western road construction unit of the DoE.

In the meantime, Leonard Fairclough, whose president, 86-year-old Mr. Leonard Fairclough, undertook the Manchester opening ceremony, has won just under £2m. worth of work for the Thames Water Authority for the construction of reinforced concrete storm tanks and pipework at Acton in West London and for the Lee Valley company for a water tower at Sundon Park, Luton.

The Thames Authority job will require three years to complete in three phases. The Luton job will take 64 weeks to finish and involve the provision of pre-cast panels for the tank bowl.

## £3m. awards to Clarke Group

CONTRACTS totalling £3m. have been won by S. W. Clarke (Contractors), construction subsidiary of the Clarke Group.

One, valued at £200,000, is for a school at Burton-on-Trent for Staffordshire County Council; others, both for Sandwell Metropolitan Borough, are for £350,000 worth of housing at Oldbury, near West Bromwich and for CLASP extension and alterations costing £150,000 to Dartmouth High School, West Bromwich.

## Emergency homes in Tehran

A CONTRACT worth over £12m. for three-room accommodation units has been won by Guildway of Guildford, Surrey.

The houses will be built south of Tehran as part of a large emergency housing project, and Guildway will use its recently introduced system of Basic Accommodation which is designed specifically for use in developing countries. It employs activated by a pneumatic motor, which adjusts the air flow at the minimum of site labour command of a room thermostat.

Work is to start shortly and the architects and design consultants are Wells-Thorne and Partners. Considerable renovations and alterations are to be undertaken on behalf of the London Life Association whose City branch is moving there from nearby King William Street.

## Historical facade to be restored

THE FACADE of a 200-year-old building at 90 Coleman Street—believed to be one of the oldest streets in the City of London—is to be fully restored to its original appearance by Trilloupe and Collyer, part of a wider-ranging contract worth about £820,000.

Work is to start shortly and the architects and design consultants are Wells-Thorne and Partners. Considerable renovations and alterations are to be undertaken on behalf of the London Life Association whose City branch is moving there from nearby King William Street.

**CRENDON STRUCTURES**  
for High speed  
Low cost  
Factory Warehouse  
and  
Office Building

the contract and work will be completed within six months. The units are being manufactured in Guildford and transported by road.

## Lower cost of air conditioning

BAHCO company is bringing on to the U.K. market its new variable air volume (VAV) terminal unit for air conditioning systems.

Recent independent tests have shown that both running and cooling costs are lower using a VAV system than any other. Lower total air flow, smaller primary unit and distribution ductwork mean that heating and cooling equipment of less capacity can be installed. Reheating after-coolers, together with their associated pipework can usually be dispensed with. Cheaper running costs are achieved because the total air flow to be heated and cooled is less than in other systems.

The units are available in seven sizes. The air quantity may be continually varied to 40 per cent of rated volume. The regulator is activated by a pneumatic motor, which adjusts the air flow at the minimum of site labour command of a room thermostat.

Alternatively units may be fitted with an electric motor. In the variety of finishes is available Bahoo VAV terminal units, and the system can be used for all types of single storey domestic dwellings, offices, hospitals and similar purposes.

Bahco House, Beaumont Road, Banbury OX16 7TB. Banbury on the 250 units which make up 57461.

HEWLEN/STUART Plant Hire Nationwide

W. H. Wood.

These bonds have been sold outside the United States of America. This announcement appears as a matter of record only.

August 4, 1975

### ELECTRICITY SUPPLY COMMISSION (ESCOM)

JOHANNESBURG  
Republic of South Africa

DM 100,000,000.—  
9½% Bearer Bonds of 1975 (1980)  
Irrevocably and unconditionally guaranteed by the  
REPUBLIC OF SOUTH AFRICA  
Issue Price: 99½%

COMMERZBANK Aktiengesellschaft	DRESDNER BANK Aktiengesellschaft
CREDIT COMMERCIAL DE FRANCE	KREDBETBANK S.A. LUXEMBOURGEOISE
ALGERIEN BANK NEDERLAND N.V.	BANQUE DE PARIS ET DES PAYS-BAS
CREDIT LYONNAIS	BANQUE INTERNATIONALE A LUXEMBOURG S.A.
HILL SAMUEL & CO. Limited	BANQUE ROTHSCHILD
ABD SECURITIES CORPORATION	BAYERISCHE HYPOTHEKEN-UND WECHSELBANK
RANKEHAUS H. AUFGEBER	JOEL BERENBERG, GOESLER & CO.
BANCA NAZIONALE DEL LAVORO	BANKHAUS GEBRÜDER BERTENMANN
BANK MERS & HOPFEN	CITICORP INTERNATIONAL BANK LIMITED
BANQUE DE L'UNION EUROPEENNE	CREDITANSTALT-BANKVEREIN
BANQUE FRANCAISE DU COMMERCE EXTERIEUR	DAIWA EUROPE N.V.
BANQUE ROTHSCHILD	DELBROCK & CO.
BASIS SECURITIES CORPORATION	DEUTSCHE LANDESBANK Aktiengesellschaft
BAYERISCHE VEREINSBANK	EUROPARTNERS SECURITIES CORPORATION
BERLINER BANK Aktiengesellschaft	GIOZENTRALE UND BANK DER OESTERRISCHEN SPARKASSEN Aktiengesellschaft
CENTRAL MERCHANT BANK	GEORG HAUCK & SOHN
COMPAGNIE LUXEMBOURGEOISE DE BANQUE S.A.	KLEINWORT, BENSON, Limited
CREDIT ITALIANO	LANDESBANK RHEINLAND-PFALZ - GIOZENTRALE -
RICHARD DAUS & CO. Bankiers	LAZARD FRERES & CO.
Victor Hans W. Petersen	McLEOD, YOUNG, WEBB & COMPANY Limited
DEUTSCHE GIOZENTRALE - DEUTSCHE KOMMUNALBANK - EFFICIENTBANK-WARBURG Aktiengesellschaft	MORGAN GRENPELL & CO. Limited
ROBERT FLEMING & CO. Limited	NOMURA EUROPE N.V.
HAMEROS BANK	SAL OPPENHEIM JR. & CO.
KJØBENHAVNS HANDELSBANK	REUSCHEL & CO.
BANKHAUS HERMANN LAMPE Kommanditgesellschaft	J. HENRY SCHRODER WAGG & CO. Limited
LAZARD FRERES & CO.	SINGER & FRIEDLANDER LIMITED
MANUFACTURERS HANOVER	SOCIETE GENERALE DE BANQUE S.A.
B. METZLER SEEL SOHN & CO. Limited	VEREINS-UND WESTBANK Aktiengesellschaft
THE NIKKO SECURITIES CO. (EUROPE) LTD.	S. G. WARBURG & CO. LTD.
OESTERREICHISCHE LANDESBANK Aktiengesellschaft	YAMAICHI INTERNATIONAL (EUROPE) Limited
PIERSON, HELDING & PIERSON	
SALOMON BROTHERS	
SIMONBANK Aktiengesellschaft	
SOCIETE GENERALE	
UNION ACCEPTANCES Limited	
M. M. WARBURG-BRINCKMANN, WITZ & CO.	



## THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS

Head Office Editorial & Advertisement Offices:  
BRACKEN HOUSE, CANNON STREET, LONDON, EC4A 3DF.  
Telephone Day & Night: 01-248 8000. Telegrams: Finatimes, London.  
Telex: 886341/2, 883897.

London: George Mason House, 100 Broad Street, EC2A 4EJ.  
Dublin: 2 Fitzwilliam Street, Dublin 2, Ireland.  
Manchester: 100 Market Street, Manchester M1 1PL.  
New York: 120 Broadway, New York, NY 10038.  
Washington: 1100 Pennsylvania Avenue, NW, Washington, DC 20004.  
Paris: 100 Avenue des Champs-Élysées, Paris 8e, France.  
Frankfurt: 100 Main Street, Frankfurt, Germany.  
Zurich: 100 Bahnhofstrasse, Zurich, Switzerland.  
Geneva: 100 Rue de la Gare, Geneva, Switzerland.  
Basel: 100 Bahnhofstrasse, Basel, Switzerland.  
Bern: 100 Bahnhofstrasse, Bern, Switzerland.  
Brussels: 100 Rue de la Loi, Brussels, Belgium.  
Luxembourg: 100 Avenue de la Liberté, Luxembourg, Luxembourg.  
Rome: 100 Via del Corso, Rome, Italy.  
Milan: 100 Via Montenapoleone, Milan, Italy.  
Florence: 100 Via de' Tornabuoni, Florence, Italy.  
Naples: 100 Via Toledo, Naples, Italy.  
Bari: 100 Via Garibaldi, Bari, Italy.  
Catania: 100 Via Libertà, Catania, Italy.  
Palermo: 100 Via Libertà, Palermo, Italy.  
Messina: 100 Via Libertà, Messina, Italy.  
Syracuse: 100 Via Libertà, Syracuse, Italy.  
Agrigento: 100 Via Libertà, Agrigento, Italy.  
Trapani: 100 Via Libertà, Trapani, Italy.  
Mazara del Vallo: 100 Via Libertà, Mazara del Vallo, Italy.  
Syracuse: 100 Via Libertà, Syracuse, Italy.  
Agrigento: 100 Via Libertà, Agrigento, Italy.  
Trapani: 100 Via Libertà, Trapani, Italy.  
Mazara del Vallo: 100 Via Libertà, Mazara del Vallo, Italy.

MONDAY, AUGUST 4, 1975

## A confusion of aims

MONETARY POLICY has been causing more than a little confusion and irritation in the financial markets. Two weeks ago, when sterling was falling against the dollar, the authorities reacted by raising the Minimum Lending Rate. This annoyed many institutions who had advised their clients to subscribe to a new tap stock. In the last few days sterling has again been falling against the dollar; but there was no change in the MLR on Friday. A fresh tap stock has, however, been issued and there is a good deal of uncertainty about whether it will go as well as the last.

There are many rumours about possible action to tighten monetary policy. For several months there has been talk about a call for Special Deposits to mop up some of the excess liquidity of the banks. But a simpler action would be to request the Clearing banks to raise their own base lending rates, which they have not so far done.

## Oil producers

It does not, however, make much sense to discuss these technicalities without looking at the objects of policy. To put it at its simplest, the authorities are content to see sterling slide down gradually against the average of leading currencies, so long as the U.K. rate of inflation is above the world average. On the other hand, they dislike intensely a depreciation of sterling against the dollar, because of the fear that the oil producers are especially sensitive to the movement of the sterling dollar rate.

Unfortunately, it is a fact of arithmetic that the two objectives can be reconciled only if the dollar is itself weak. If the dollar is rising in the world's currency markets, then sterling is liable to look too strong to those Government advisers concerned with trade competitiveness, and too weak to those concerned with managing the dollar rate to reassure the oil producers. In the last few days sterling has hit new lows against the dollar; but its weighted average depreciation rate has narrowed by nearly

## The struggle for Portugal

THE WEEK-END meeting in Stockholm between West European socialist leaders and Mario Soares is no doubt a well-meant attempt to strengthen the chances of democratic evolution in Portugal. But there seems to be little reason to suppose that it will have more than a peripheral impact on the struggle for power now in progress in Lisbon.

## Divergent

On the face of it, the prospects for democracy seem to have taken a sharp turn for the worse since the formation of the military "troika," and the reduction of the role played by the Supreme Revolutionary Council. Yet for all its theoretical powers, the troika has yet to prove itself any more effective than the diverse institutional variants which have preceded it. General Vasco Gonçalves' support for the Communist Party appears to be irreconcilable with General Otelo Saraiva da Carvalho's support for a more populist-authoritarian régime, and both of them have divergent views from those of the President, who has called for a "slowing down" of the revolution. It is these divergent strains which have so far prevented the Prime Minister from being able to form a government to replace the one deserted by the Socialists, Popular Democrats and Independents.

In principle the formation of a new government, repeatedly deferred, is due to be announced to-day, but another postponement would come as no surprise. If the Armed Forces Movement wants to form a government which can count on some popular support and give Portugal some order, it must take account of two facts. The first is that, as Prime Minister for the past 12 months, Vasco Gonçalves inevitably bears much of the onus for the lack of effective govern-

## Infighting

Of the two men, General Gonçalves is probably the greater liability to the image of the Armed Forces Movement, and his standing must have been further harmed by last week's blatant attempt by pro-Communist officers to "reveal" yet another reactionary coup—the oldest device in the revolutionary book. But whether the confused infighting inside the Armed Forces Movement will permit him to be replaced by a more effective and more popular Prime Minister is quite another question.

Yet it remains true that neither the pluralistic option, nor a Government of moderates, has yet been ruled out. Their prospects may be slim and fading with every passing week, but neither the authoritarianism nor the Communists have yet decisively gained the upper hand.

THE U.K. airline industry has just passed through one of its most traumatic weeks ever, the effects of which are likely to be felt for many years to come. Apart from the major policy changes announced by Mr. Peter Shore, Secretary for Trade, which have not only altered the balance of competition between British Airways and British Caledonian but also shattered Mr. Freddie Laker's plans for his cheap-fare Skytrain, there have been the opening rounds of what could be a long drawn-out fight between BA and BCAL over the future of the innovative Heathrow-Glasgow Shuttle service.

Broadly, the Trade Secretary's proposals mean the end of competition between the two major flag airlines on long-haul scheduled routes (the so-called "dual designation" philosophy which enabled BCAL to get onto the North Atlantic run in the first place) and its replacement by a "spheres of influence" policy, involving some further but limited "route swaps" between BA and BCAL. Otherwise BA and BCAL are confirmed in all their other activities, as are all the other independent airlines, with only the cancellation of Laker Airways' proposed low-fare, no-reservations Atlantic Skytrain remaining as a major contentious issue.

## Autumn White Paper

Now the details of the proposals—which are so far only in outline form—have to be hammered out so that they can be included in the White Paper promised for the autumn. Following that, there will have to be a major debate in Parliament about the changes that are to be implemented, and it may even be necessary to change the Civil Aviation Act of 1971 in order to rewrite the necessary policy guidelines for the Civil Aviation Authority on which the whole of its route licensing practices are based. One of the tasks facing the DoT in the next few weeks will be to see just how far Mr. Shore can go in making his proposed changes within his existing powers, without seeking changes in the law. Few in the airline industry believe, however, that he will be able to avoid new legislation.

What is certain is that implementation of the proposals will be far from painless. British Airways has already given a cautious, even a cool, welcome to them, arguing that "it is not for us to concede voluntarily route transfers which would be against the interests of the airline and its staff." Many in BA still resent the original transfer to BCAL of certain major routes, notably to West Africa, to help that airline get started in the early 1970s, and had hoped that the policy review might have meant their being returned to BA. The reverse, in fact, has happened.

BCAL is confirmed in West

Africa (and in Eastern South America), which now become the basis of its "spheres of influence," and there must be a route swap envisaged by Mr. Shore as cementing the spheres of influence policy may include giving BCAL further African and South American routes. It is a prospect that the trades unions in BA in particular are

not likely to face with either eagerness or tranquility. For its own part, BCAL has also given a cautious welcome to those parts of the policy review that it regards as "positive," such as the decisions to confirm it as a major "second force" airline in the U.K., in European short-haul operations, and in certain areas of the world. From this it may derive some hope for success in its current, separate bid to be given a more viable base on U.K. domestic trunk operations through the restriction of BA's Heathrow-Glasgow Shuttle competition (public hearings on which began in London this week). BCAL has warned that it cannot go on sustaining losses on domestic routes for ever, and may have to think of pulling off the Gatwick-Glasgow run if they cannot be stemmed.

But it has already said that it objects strongly to some aspects of the ending of dual-designation, especially on the North Atlantic. In particular, it is arguing that Mr. Shore's policy statement is ambiguous, in that it appears to imply that BCAL will not be allowed to operate any long-haul scheduled services across the North Atlantic although at least two of the licences it holds—those to Atlanta and Houston, where BA does not as yet have a right—are not "dual designated." On the strictest interpretation of Mr. Shore's

preparation of Mr. Shore's proposals, there is an impression that these countries just sit back to wait for the next offer or the next inquiry. But this is only half the story. "It is true we are getting a great deal of interest shown in us but we could always do with a little more. We certainly have nothing to lose in getting together with engineers from Europe, Japan and the U.S. and talking things over face to face," says Hassan Fahkro, president of the Bahrain Institution of Engineers. Fahkro, educated at Birmingham and London Universities, says the institution has grown rapidly over the past two years, so that there are now 200 members, all professional engineers who, like him, got most of their training outside their own country. At the moment he is busy organising the institution's most ambitious project (again, the sort of thing you would expect to be set up by one of the industrialised countries). It is an exhibition and seminar to be held in Bahrain in October devoted to engineering and development in the Gulf.

## MEN AND MATTERS

## Boston's role in NVT

Spin-offs from the Boston Consulting Group's report on the British motor-cycle industry (for instance, its implied damnation of the concept of splitting apart British Leyland's specialist in its high-volume ranges) may last even longer than the protracted funeral rites at one or more of the three production plants involved and the egg-cleansing work to be done on the faces of several politicians from both parties. Perhaps that is not so surprising: Boston Consulting was formed precisely to assist in making the sort of strategic decisions which must often be painful.

## ... and a missing link

One puzzle in the NVT situation is what Hugh Scanlon thinks should be done. Back in May, Anthony Wedgwood Benn, when still Industry Secretary, nominated the Engineers' leader to the company's Board. This directorship stemmed from powers in the 1972 Industry Act.

But nominating a director and actually getting one are not the same thing. The company's version is that, on hearing the Minister's plan, a letter went to Scanlon saying it was happy to meet him. He wrote back asking for a little time as he was very busy. Later the company wrote again, but says it has only met with silence.

Scanlon's office says it does not know what is happening about this, a personal, not a union appointment. So there the matter stands, with Scanlon not yet elected a director two and a half months after the Government nominated its man.

## Two-way traffic

With so many Western industrialists apparently planning their short-term hopes on orders

from the oil producing countries, there is an impression that these countries just sit back to wait for the next offer or the next inquiry. But this is only half the story. "It is true we are getting a great deal of interest shown in us but we could always do with a little more. We certainly have nothing to lose in getting together with engineers from Europe, Japan and the U.S. and talking things over face to face," says Hassan Fahkro, president of the Bahrain Institution of Engineers. Fahkro, educated at Birmingham and London Universities, says the institution has grown rapidly over the past two years, so that there are now 200 members, all professional engineers who, like him, got most of their training outside their own country. At the moment he is busy organising the institution's most ambitious project (again, the sort of thing you would expect to be set up by one of the industrialised countries). It is an exhibition and seminar to be held in Bahrain in October devoted to engineering and development in the Gulf.

The DoT cites, for example, the London-New York route, where, it says, the advent of BCAL was accompanied by "a considerable loss of traffic by BA and a marginal increase in the (overall) U.K. share." It admits, however, that on the Los Angeles route "the U.K. market share increased significantly during the period when BCAL were operating New York aboard wide-bodied

proposals, BCAL argues, it ought to be able to fly those routes, as and when it can, since it will not be competing directly with BA. The DoT's answer to that is that BCAL was planning to fly them via Boston, and this would have included a partial event and that the advent of BCAL's services affected only the timing.

Events since the withdrawal of DC-10 jet airliners—in effect, a provided capacity of their own but also helped to stimulate BA to mount a more effective attack on this market. But the DoT goes on to say that "it is however likely that BA would have taken this kind of action in any event and that the advent of BCAL's services affected only the timing."

Earlier this year, however, the CAA in this country renewed the licence, after a bid by BA to get it cancelled, but advised Laker that in the existing economic climate Skytrain ought not to start for at least 12 months. This appears to have given Mr. Shore the opening he needed. Logically, it can be argued that if he is going to introduce a policy of no "dual designation," removing BCAL from the North Atlantic, he can hardly continue to permit Skytrain to stand, especially in the light of continued American reluctance to give it the reciprocal licence it needs to get started. It can also be argued that to some extent Skytrain has been overtaken by other events.

One of these events has been the downturn in North Atlantic air travel over the past year or so, which, coupled with soaring costs, has run many of the major airlines into the red on that route, including Pan American and TWA. The forecast for British Airways is a system-wide net loss of about £10m. in the 1974-75 financial year, although figures for its Atlantic performance are not available.

When it was first proposed in 1971-72, Skytrain was built round the cheapest North Atlantic single fare then heard of—

£37.50 in summer and £32.50 in winter between London and New York. This compared at that time with the cheapest scheduled economy excursion return of £118 in summer and £82 in winter. Subsequently, inflation and the fuel crisis of late 1973 have played havoc with rates, and Mr. Laker has been forced to push his proposed Skytrain single rate up to £59. At that level, it faces severe competition from some other developments in aviation—notably the Advanced Booking Charter (ABC) fares which now range between about £109-£137 return, according to season, and, on scheduled flights, the Advanced Purchase Excursion (APEX) rates of £118-£160. Both these offer guaranteed seats.

Despite this, the Skytrain venture still promises to be one of the few genuinely new developments in long-haul civil air transport. The idea of a no-reservations service has already worked well on short-haul operations in the U.S. (and, so far this year, in the U.K. on the Heathrow-Glasgow route also), and Mr. Laker is willing to try it on long-haul services for the first time. He is not simulating at the normal scheduled service passenger—not even the ABC or APEX passenger who prefers a guaranteed seat—but at the much younger generation, particularly on the many American campuses, who already flock to Europe in the cheapest possible way, and who, in his view, would come over in even greater numbers if a really cheap no-fuss fare were made available. Thus, Mr. Laker feels that Skytrain is being aimed at a genuinely new market that no-one has sought to tap before. It is for this reason, more than any other, that the idea is worth at least experimenting with.

Mr. Laker has already made it clear that he intends to fight Mr. Shore's decision all the way, even into the courts if necessary. Whether he will get any satisfaction there remains to be seen, particularly in the light of the decision on Tuesday by the three Appeal Court Judges in the Pan American Commissions Case. The Court upheld the Secretary of State's right to impose conditions governing the conduct of all U.K. civil aviation affairs, thereby overturning an earlier ruling that the Secretary of State had no such powers. Pan Am was refused leave to appeal to the House of Lords.

It would really seem, therefore, that only Parliament itself can help Mr. Laker get Skytrain off the ground. His argument all along has been that the U.S. authorities and the scheduled airlines, including BA, have objected to Skytrain because they are afraid of its competitive impact, and that the best way to prove the point would be to give it a trial.

When it was first proposed in 1971-72, Skytrain was built round the cheapest North Atlantic single fare then heard of—

£37.50 in summer and £32.50 in winter between London and New York. This compared at that time with the cheapest scheduled economy excursion return of £118 in summer and £82 in winter. Subsequently, inflation and the fuel crisis of late 1973 have played havoc with rates, and Mr. Laker has been forced to push his proposed Skytrain single rate up to £59. At that level, it faces severe competition from some other developments in aviation—notably the Advanced Booking Charter (ABC) fares which now range between about £109-£137 return, according to season, and, on scheduled flights, the Advanced Purchase Excursion (APEX) rates of £118-£160. Both these offer guaranteed seats.

## How well can your fingers read?

Not very well, we expect. But if you were blind, your fingers could be the key to normal living.

This is Louis Braille Memorial Year and marks the 150th anniversary of the introduction of the braille system. Today braille instruction, literature and music represent only a part of a wide ranging service provided by the RNIB for Britain's 120,000 blind people. But without your legacies and generous donations, we could not continue to maintain the help blind people need: Sunshine Nurseries and Schools for blind children, Talking Books, rehabilitation centres for the newly blind, homes and holiday hotels, training and employment schemes, research into blindness and over 300 aids for use in everyday life.

Why not turn a thought into a gift of money now.

**RNIB**  
ROYAL NATIONAL INSTITUTE  
FOR THE BLIND  
20, GREAT PORTLAND STREET, LONDON, W1P 6AA  
Under the Finance Act 1975, RNIB is exempt from tax on its income and capital gains. It is a charity registered with the Charity Commission for England and Wales.

Observer



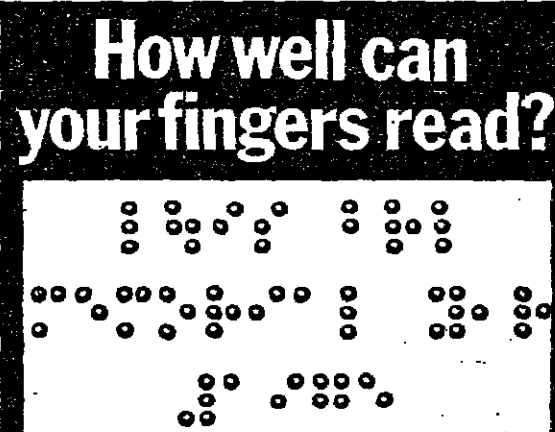
Mr. Freddie Laker and one of his DC-10s in Skytrain livery: the venture promised to be one of the few genuinely new developments in long-haul civil air transport.

## Worked well

Despite this, the Skytrain venture still promises to be one of the few genuinely new developments in long-haul civil air transport. The idea of a no-reservations service has already worked well on short-haul operations in the U.S. (and, so far this year, in the U.K. on the Heathrow-Glasgow route also), and Mr. Laker is willing to try it on long-haul services for the first time. He is not simulating at the normal scheduled service passenger—not even the ABC or APEX passenger who prefers a guaranteed seat—but at the much younger generation, particularly on the many American campuses, who already flock to Europe in the cheapest possible way, and who, in his view, would come over in even greater numbers if a really cheap no-fuss fare were made available. Thus, Mr. Laker feels that Skytrain is being aimed at a genuinely new market that no-one has sought to tap before. It is for this reason, more than any other, that the idea is worth at least experimenting with.

Mr. Laker has already made it clear that he intends to fight Mr. Shore's decision all the way, even into the courts if necessary. Whether he will get any satisfaction there remains to be seen, particularly in the light of the decision on Tuesday by the three Appeal Court Judges in the Pan American Commissions Case. The Court upheld the Secretary of State's right to impose conditions governing the conduct of all U.K. civil aviation affairs, thereby overturning an earlier ruling that the Secretary of State had no such powers. Pan Am was refused leave to appeal to the House of Lords.

It would really seem, therefore, that only Parliament itself can help Mr. Laker get Skytrain off the ground. His argument all along has been that the U.S. authorities and the scheduled airlines, including BA, have objected to Skytrain because they are afraid of its competitive impact, and that the best way to prove the point would be to give it a trial.



Not very well, we expect. But if you were blind, your fingers could be the key to normal living. This is Louis Braille Memorial Year and marks the 150th anniversary of the introduction of the braille system. Today braille instruction, literature and music represent only a part of a wide ranging service provided by the RNIB for Britain's 120,000 blind people. But without your legacies and generous donations, we could not continue to maintain the help blind people need: Sunshine Nurseries and Schools for blind children, Talking Books, rehabilitation centres for the newly blind, homes and holiday hotels, training and employment schemes, research into blindness and over 300 aids for use in everyday life. Why not turn a thought into a gift of money now.

**RNIB**  
ROYAL NATIONAL INSTITUTE  
FOR THE BLIND  
20, GREAT PORTLAND STREET, LONDON, W1P 6AA  
Under the Finance Act 1975, RNIB is exempt from tax on its income and capital gains. It is a charity registered with the Charity Commission for England and Wales.

Observer



# The union that steeled itself to crisis

BY LORELIES OLSLAGER

ANY DAY this week, the government is expected to announce its decision on whether the British Steel Corporation will be allowed to close a number of steel works in Scotland and Wales over the coming years as part of its long-term development and modernisation programme.

If permission is given, particularly for an end to steel-making at the Shotton plant in North Wales which alone could lead to the loss of some 6,000 jobs by 1981, there could well be large-scale demonstrations of discontent—discontent that will also be fuelled by last week's agreement between BSC and the steel unions on a reduction of labour costs in the present cyclical recession.

Union leaders agreed to the deal, which foresees the dismissal of several thousand men and drastic cuts in the earnings of numerous others, because over the past few months they have been genuinely convinced of the industry's plight and want to secure its survival.

But discontent among the rank and file is not just the machinations of a few political radicals. Many of the 135,000 or so manual workers employed in BSC's steel plants are being asked to make considerable sacrifices now for what at best can be uncertain future gains.

## New policy

The steel workers are the first labour force in a nationalised industry to have to face up to the full consequences of the recession and the new economic policy on public expenditure pursued by the Government. The Corporation is not only suffering from the present economic recession, but

is beset by structural problems due to years of underinvestment and outdated production techniques. Recession or no recession, it is in any case drawing up unofficial battle plans, trying to modernise and rationalise, and this will involve considerable reductions in its labour force.

The unions are therefore preoccupied not only with protecting members' short-term interests, but also with safeguarding jobs in the long-term, and the two do not necessarily require the same strategy.

Most of the BSC plants due for closure or run-down under the Corporation's ten-year development strategy are in areas of traditionally high unemployment, particularly in Wales, and alternative jobs are a just not in sight. With the help of the Labour Government, unions got some reprieve on the closure programme, which otherwise would have cost some 30,000 jobs this decade. But the prospect of redundancies for the sake of modernisation was never far from peoples' mind during the argument over what short-term measures to take in the current recession.

## Suspicion

The immediate suspicion voiced when BSC chairman Sir Monty Finniston called for some 30,000 redundancies this year was that he was trying to bring forward the closure programme, large parts of which the Government had just instructed BSC to postpone for several years. (It is the decision on the rest of the programme that will be announced this week.)

This suspicion no doubt strengthened the unions' initial "no to any redundancies other than voluntary and mutually agreed cutbacks. Mr.

## Strikes

It was this provision which first led to trouble, because the Iron and Steel Trades Confederation claimed that local BSC management was overstepping the mark when trying to eliminate all week-end work, always by far the best paid in a shift system. There were short-



Mr. Bill Sims: propaganda campaign.

lived strikes at a number of plants, and BSC was obliged to concede that at least some week-ends could be worked for the time being.

The ISTC managed to extract this concession in June, at the same time that the Corporation first informed the unions that the six-point plan was not of the situation.

Traditionally a conservative union, with a tradition of co-operating with management and settling disputes through negotiations and conciliation, the ISTC completely dominates

the BSC trade unions. Only the craftsmen have a separate weight to pull, but their attitudes are very similar to those of the ISTC.

## Results

Of the ISTC's 105,000 members, ranging from labourers to white collar staff, some 65,000 are employed in BSC. Among the other unions, only the Blastfurnacemen operate exclusively in the steel industry, with 13,500 members in BSC. None of the general workers' unions has got a strong foothold in the Corporation.

The ISTC has just got a new general secretary, Mr. Bill Sims, much less conservative than its autocratic leader for years, Sir David Davies. But it remains highly concerned about the prosperity of the industry and willing to co-operate if it feels that prosperity is threatened.

At the crisis meeting last Tuesday, which lasted for more than 13 hours, BSC explained to the unions once more that the six-point plan had not produced the desired results and that savings were running at an annual rate of £50 to £60m, well short of the target £100m.

It told the unions bluntly that if they were not willing to co-operate, then unilateral cost saving measures would be introduced. The threat carried considerably more weight this time than in the spring. The Government has made it clear that it is no longer prepared to bail out the nationalised industries.

Only voluntary redundancies. The unions managed to have dismissals limited to people who have been on the payroll for less than 12 months.

At each plant, local unions and management are to identify jointly which jobs are "surplus to requirement" and who should in consequence be dismissed or offered voluntary redundancy. Mr. Sims estimated that about 8,000 workers can be dismissed under the agreement. In addition, he reckons, BSC has not replaced some 5,000 people who have left recently, so that the total reduction in manpower over 12 months should come to about 10,000.

## On the dole

In return for a less drastic dismissal programme, the unions had to concede management the possibility of "waiving" the guaranteed working week at individual plants after consultations with local union representatives. This means that workers for whom there is temporarily no work will go on the dole instead of being paid by the Corporation.

But quite apart from the social arguments against unemployment, Mr. Sims believes that BSC will be unable to profit fully from the next cyclical upswing if its labour force is not kept largely intact. In the men who are being made redundant now ought to be replaced as soon as the economy picks up again—something BSC is not at all prepared to concede, Mr. Sims also knows that there will be resistance among local union officials and the rank and file.

It was the workers' refusal to co-operate at local level that helped the Corporation during the past to up to the six-point plan—and 24 months, in addition to volun-

ted redundancies. The unions managed to have dismissals limited to people who have been on the payroll for less than 12 months.

In a statement to the ISTC executive on Wednesday, he argued that "the British Steel Corporation is deep in a crisis of unprecedented gravity... It would be difficult indeed to exaggerate the extreme seriousness of the situation."

The next few weeks will show whether his arguments can convince the rank and file, particularly at the less efficient plants singled out for closure where people may feel that they have nothing much to lose by fighting for short-term gains. The fight need not necessarily be in the form of strikes; most people realise that stopping work at a time when BSC is operating below capacity and stocks are high can only play into the Corporation's hands. Instead, there could be pressure to stop imports or attempts to stage work-ins.

## Closure

But a test of even greater magnitude for Mr. Sims and the ISTC's traditional philosophy may come over the final decision on the closure programme, particularly over Shotton.

The situation is bedevilled by antagonisms between the union at Shotton, prepared to fight hard for the retention of a major steel making capacity, and the membership at Port Talbot who have been told that their works can only be expanded at the expense of Shotton.

In addition to being accused of helping BSC to run down the industry's labour force, Mr. Sims may find himself in the middle of fraternal warfare among his members. "I am sorry for the man," a BSC official commented in a fine mixed metaphor, "his job is like trying to ride a tiger between Scylla and Charybdis."

## Letters to the Editor

### Protect the consumer

From Mr. H. Lind.  
Sir—The Secretary for Trade has forbidden the low-price Skytrain transatlantic service because "it would divert traffic away from the existing services." Will any of the proliferating bodies which government has established, allegedly to protect the economic interests of the consumer, step in to attack those who have created this barrier to the entry of low-price competitors? If not, does one detect a whiff of hypocrisy in the corridors of power?  
Harold Lind.  
15, Nelson Terrace, N.I.

### Shotton steel

From The Deputy Chairman, The Western Council.  
Sir—As a life long trade unionist and member of the Labour Party, may I urge the Government not to give way to the British Steel proposal to close steelmaking at Shotton. I had the privilege for very many years to be a union leader in this area and looked after the interests of the majority of the men at the Shotton works. It has an enviable record of labour relations, hardly any strikes in its 80 years of existence, and a working force which is second to none in my experience. It is an extraordinary situation when the Government, trade unions, the Confederation of British Industry and everyone is crying out for productivity, for no strikes and for good labour relations, that there is a serious proposal to axe the works that has all these attributes and yet, because it proposes to invest heavily in areas which have had records of strikes and consequently big losses.

The consequences of closing steel in this small community of Shotton would be disastrous not only to the area, but to North Wales as a whole—at the last count this area had the highest unemployment figures in the whole of England, Scotland and Wales—but also on Merseyside, it is quite unfair that the amount of investment is going to areas and ports nearest the Common Market.

I urge the Government not to treat Shotton as a sacrificial lamb and to see the justice of the points made in the case for Shotton which was illustrated in our newspaper of July 31.

Tom Jones.  
Rhoslan, 7, King George Street, Shotton, Deeside, Clwyd.

### Ping-pong pensions

From Mr. B. Cullingford.  
Sir—So Mr. Foot, despite all warnings, has included pensions in his anti-inflation package. The bemused worker who is nearing retirement must be wearily wondering, "Me? Again?" During the last 20 wasted years when pensions have been used for political ping-pong it is that same worker who has suffered the most. Now through Mr. Foot's myopic mismanagement, it is he again who will suffer the more disastrous of its effects.

As Mr. E. D. Cresswell explained (July 31) the penalties which the restrictions will impose on the near-retired are long term. They are indeed. While everyone is being asked to take a cut in real income during a limited period, the man who retires during the freeze will have

his sacrifice perpetuated until he dies, and then his family must depend on the generosity of the Government Secretary has himself retired to write his memoirs. A person as reputedly caring as Mr. Foot must surely feel a twinge of conscience in decreeing that a small section of the community should forfeit income throughout retirement.

The unhappy truth is that this legislation, drafted by the expert and voted through by the exhausted, throws up many serious anomalies at the same time exposing deep divergence of views among the Government itself. Mr. Foot states, for example, that pension schemes may only be improved, after July 1976, if they do no more than meet the minimum requirements for contracting-out of the proposed State scheme. One cannot help wondering whether Mr. Foot has ever read the Pensions Bill, let alone understood it.

More serious, his attitude is in diametric opposition to that of Mrs. Barbara Castle, who has made it clear that the Government does not intend to encourage occupational schemes which provide benefits only just sufficient to qualify for contracting out. The only private schemes to be encouraged are those which furnish their employees with benefits very substantially better than the minima.

There must be an explanation. Either Mr. Foot, whom until now I had understood to be a member of the same team as Mrs. Castle, is not talking with a straight tongue, or he has made a gigantic error. Or, even more disturbing, there has been a major and potentially calamitous change of policy. The pensions movement needs and deserves to know the truth. And every worker has a right to demand, like a Victorian father, "What are your intentions? And they honourable?"

Brian A. Cullingford, Managing Director, Pension Planners (Europe), 1 Olympic Way, Wembley Park, Middlesex.

### Bibliography on the Channel

From Mr. A. Cornish.  
Sir—I have studied the report of the Channel Tunnel Advisory Group (the Cairncross Report—HMSO), which was published on July 24. One of the recommendations calls for the establishment of a body similar to the Royal Commission on Environmental Pollution or the Monopolies Commission which would monitor and advise on major transport projects and indeed major ongoing programmes such as the roads programme which have been the prime responsibility of different departments and which have been assessed in different ways.

Interestingly, such a function was also felt to be necessary in order to "... reassure the general public ... when there is distrust of the powerful interests involved." (One might feel it a great pity that the Department of the Environment has long since forfeited any capacity to provide such reassurance to the public in its own right.) The report goes on to make the point that the public would also be in a better position to evaluate the arguments surrounding such matters if as much as possible were published in an accessible form (my emphasis).

Nevertheless the Cairncross report contains no bibliography or catalogue of references which the public might study the documents to which the Advisory Group had access. In a report which was based almost entirely upon written

evidence and submissions, and which frankly leaves the Channel tunnel proposal wide open, this is surely a most extraordinary omission. Furthermore, it is an omission which should be corrected if we are not to suffer a replay of this multi-million pound fiasco at the expense of the taxpayer within five, or ten years, according to Cairncross.

May I therefore urge the Secretary of State for the Environment to consider the publication, as an addendum to the Cairncross Report, of a properly indexed bibliography of all reference material, while this material is still assembled in one place within his Department?

Alan Cornish, 21, Tennyson Avenue, E.I.I.

### Learned trade unions

From Mr. J. E. Russell.  
Sir—Your industrial correspondent reports (July 28) on "disappointment" among members of the engineering institutions about the reformation of C.E.I. Some of us are not disappointed; we regard the whole thing as futile.

The engineering institutions are learned societies in the pattern of the 1820s, totally out of date and quite unsuitable for dealing with Governments. The C.E.I. is based on the same philosophy and represents too small a section of professional people to be of any consequence. One suggestion to meet the need for the third factor mentioned by Sir Frederick Catherwood is to convert the professional institutions into learned trade unions. Not only the engineering institutions: all institutions representing professional people. The doctors have already gone a long way down this line. We could then have a learned trade union congress at which all professional people, and not just a limited spectrum of engineers, would be represented. Such a learned trade union congress would be in a position to negotiate with Governments because of its wide support (missing in the C.E.I.) would certainly be welcome by most younger professional people, and, incidentally, would form an excellent source for our future Worker Directors.

J. E. Russell, Arriero Suria, 214-V13-1, Madrid-33.

### Buying British or free trade

From Mr. W. S. Howe.  
Sir—As one who is concerned with trying to teach the principles of sound and rational economic analysis to those who wish to follow a career in business I totally deplore the recent comments by the Secretary for Trade, Mr. Peter Shore, calling upon those who buy foreign cars to "search their consciences" before so doing.

Both the fundamental economic and wider social morality of the approach of Mr. Shore are very much open to question. It is surely a major basis of free international trade that businesses and private individuals buy from that country which will give them the greatest value for money. From this follows the specialisation by different countries according to comparative advantage and efficiency. To seek to prevent such activity on the part of such persons must surely lead to lower economic efficiency and restricted personal freedom in economic choice.

Mr. Shore appears to be trying to attach some kind of social

stigma to those who for any reason wish to own a foreign car—since we are not to know how to identify those countries which have or have not a "stronger economy" than our own. At a stage in our country's development where we should surely be trying to limit the amount of social divisiveness it seems rather unfortunate that a cabinet member should be trying to create a social pariah out of the British owner of every Fiat, Datsun, Simca or what have you.

Perhaps a searching of conscience on the part of both organised labour (on the record of industrial relations) and management (on quality control and service) in the British car industry would pay greater dividends in the current situation.

W. S. Howe, Senior Lecturer in Economics, Dundee College of Technology, Bell Street, Dundee.

### Floating rates

From G. Choudhury-Best.  
Sir—I agree with Henry Meulen (July 30) about credit squeezes, but I am sorry to say I do not follow him on the supposed beneficial effects of complex floating rates.

A study of Special Tables C and D in the UN Monthly Bulletin of Statistics for June fails to confirm that any beneficial effects have followed the floating of the pound in June 1975 or indeed devaluation in 1967. It is open to Mr. Meulen to argue that these measures may have averted even greater catastrophe, but in view of the fact that Saudi Arabia's Minister stated the other day that our export prices were still too high.

I think it is necessary seriously to examine the possibility that free floating far from automatically correcting imbalances in trade, actually exacerbates them in that large firms particularly, as distinct from smaller entrepreneurs, will actually tend to raise their export prices as a hedge against a possible further fall in the value of the pound.

The U.K.'s position certainly seems to be unique among the industrialised countries of the world, for whereas in 1960 we were exporting \$8,720m. worth of manufactured goods, exceeded only by West Germany and the U.S., in 1973 we exported \$25,630m. and had been overtaken by France and Japan.

This was about a threefold increase, but in all the EEC and EFTA countries including Italy the increase was of the order of five or sixfold; and other developed market economies including Japan had a ninefold increase.

These facts are sufficiently well known; but if one takes the unit value increase (table D) the sinister fact emerges that only was the U.K. figure for 1973 (the last complete year available) lowest of all the EEC countries except Italy and lower than all the EFTA countries and Japan, but for the third quarter of 1974 the U.K. had actually slipped below Italy and was much less above the U.S. and Canada than previously.

In my view the undeniable benefits of free floating have to be balanced carefully against those of having an exchange rate which is relatively fixed for the foreseeable future and which is securely based on a valuable commodity such as gold. We must also stop discouraging the entrepreneur as against the "safe" established business, which all too often turns out to be far from safe when the crunch comes. In this connection the

refusal of the Trade Minister, Mr. Peter Shore, to give the weight to pull, but their attitudes are very similar to those of the ISTC.

### Regulations for drivers

From Mr. D. Denby.  
Sir—We read that the Minister for Transport told the House of Commons that he is to acquaint the EEC Commission with the difficulties faced by the U.K. transport industry over the implementation of the Common Market drivers' regulations on January 1 next. The three principal ones are: (a) installation of tachographs in new vehicles; (b) limitation of driving distance to 281 miles per shift; (c) reduction of maximum time behind the wheel from ten hours to eight.

It is stated that the regulation has been operated by the original "Six" since 1971. This is not strictly true. In France, for instance, tachographs became compulsory on January 1, 1975, for new vehicles only and still are not required by non-French vehicles on a temporary visit. In France again, the eight hours driving limit is combined with a 50 m.p.h. speed limit when laden and 55 m.p.h. when empty—a very different proposition from our 40 m.p.h. limit.

British speed limit enforcement to-day is patchy where the lorry is not exceeding the present motor-car limit. Our lorry speed limits need to be reviewed in conjunction with any hours reduction.

Finally, it should be borne in mind that the U.K. like Italy, carries 85 per cent. of its freight by road, vastly more than Germany, France and Benelux. It follows that restrictive laws for haulage in the Nine will hit the U.K. disproportionately.

Dick Denby, Denby Transport, Moorland Way, Lincoln.

### Imports and exports

From Mr. I. Page.  
Sir—One wonders where Mr. Henry Meulen (July 30) has been living these last few years. His comments are exactly the opposite of this country's experience. So far from floating exchange rates compelling us to import less, they have simply allowed organised labour (car workers, coal miners) to demand higher wages. The cost of British products has risen correspondingly, and it is clear that our price and delivery are in many cases uncompetitive both at home and abroad.

Uncertainty causes importers to charge 5-10 per cent. more than necessary to cover the exchange risk. Exporters must do the same, otherwise they lose out if they quote in pounds because they can buy less imported raw materials with the proceeds. Imports and exports are thus priced higher than they would be if exchange rates were definite. Those of us in foreign trade require stable exchange rates, which can only be achieved by drastically reducing inflation. One must support the Government's belated and timid efforts to this end.

I. A. Page, "Pigeon Hoop," 9, Coombe Windings, Kingston-upon-Thames, Surrey.

## GENERAL

Figures of U.K. sterling, gold and convertible currency holdings (July).

Capital issues and redemptions (July) published.

Royal National Eisteddfod opens, Cricieth, North Wales.

PARLIAMENTARY BUSINESS

House of Commons: Consideration of Lords amendments to Social Security Pensions Bill.

Child Benefit Bill and Housing Finance (Special Provisions) Bill.

House of Lords: Consideration of Commons amendments to Lotteries Bill. Second reading of Community Land Bill.

## BALLET

New London Ballet, led by Galina Samsova, in Pas de Deux from Le Corsaire, Washington Square, and Laurencia, Sadler's Wells Theatre, London, 7.30 p.m.

MUSIC

D'Oyly Carte Opera Company in Yeomen of the Guard, part of century season of Gilbert and Sullivan, Royal Festival Hall, London, 7.30 p.m.

SPORT

Cricket: Second Test, England v. Australia, Lords.

Yachting: The Ewens Week-Admiral's Cup race.

Tennis: Inter-Services championships, Wimbledon.

## To-day's Events

COMPANY RESULTS

Clive Discount Holdings (full year).

Leiras International (full year).

COMPANY MEETINGS

See Week's Financial Diary on page 4.

OPERA

English National Opera production of The Magic Flute, conductor Charles Mackerras, Coliseum Theatre, London, 7.30 p.m.

## The 1976 National Management Game

## An opportunity to put your management skills to the test and win £500

The National Management Game is now firmly established. During the six years in which the event has taken place over 26,000 contestants have participated. It is widely acknowledged to provide useful training in management, putting people into a boardroom situation, where they work together to thrash out balanced decisions within a time limit, and under pressure of competition.

In the Game, specific and detailed business situations with their attendant problems, risks and consequences, are simulated with the help of a computer. Each team in the Game is, in effect, a company making decisions on the employment of its resources, in manufacturing and marketing a product over a number of trading periods in competition with other teams in groups. The winner is the team in each group generating the largest net profit. Initially a team may be composed of any number of individuals but teams in the final round are limited to six people each.

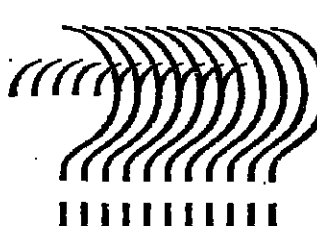
The National Management Game is sponsored by The Financial Times, International Computers Limited, and the Institute of Chartered Accountants in England and Wales, in association with The Institute of Directors and The Confederation of British Industry.

Teams taking part in previous Games have largely come from industry and commerce, accountants and consultants, banks and building societies, insurance companies, colleges and business schools, chambers of commerce, nationalised industries, and central and local government.

The entry fee is £40 (including VAT) per team and there is no limit to the number of teams entering from one organisation.

The first round begins in January and the competition is run on a knock-out basis over five rounds. The four most successful teams will compete in the finals in London in July 1976.

The winning team will receive £500 and will compete against teams from other countries in the European Management Game finals in Dublin.



## The 1976 National Management Game

Send now for details and an entry form. Complete and post this coupon today.

To: The National Management Game Administrator, Management Games Department, International Computers Ltd., Victoria House, Southampton Row, London, WC1B 4EJ. Telephone: 01-242 7806.

Please send me full details of the 1976 Game together with an entry form.

Name

Address



Pending

## COMPANY NEWS

## Downing prepares for building upturn

STOCKS at G. H. Downing and Co. are sufficient to cover some of the expected increase in demand in the building industry, states Mr. D. S. Hartley, chairman, in his annual statement.

The building materials division—which accounts for more than two-thirds of total turnover and pre-tax profit—is so much dependent on political decisions but there are small signs of improvement in the private sector, he says.

The company has taken, or is taking steps at its Chester, Brownhills and Huncote factories to increase output potential ready for the next upturn in building activity, and at the Keele works the conversion of a brick plant to the production of roofing tiles, "where we see a continuing demand," has recently been completed.

The chairman says that the directors have budgeted for a capital expenditure this year of £600,000 and there are "adequate facilities" arranged with the company's bankers.

During 1974/75 a total of £422,000 was made available on capital account. Of this £215,000 was spent on improvements to the building materials division and £200,000 in increased capacity at the refractories plant. In refractories Mr. Hartley says he feels the company is still competitive abroad and must continue to look for even more export business.

Referring to the February acquisition of a Dutch brick manufacturing company, Mr. Hartley says that shareholders will be asked after the AGM to formally approve the Board's policy of reducing the company's dependence on the home construction market.

This procedure is necessary, he states, to satisfy Stock Exchange requirements. The directors feel that the company should diversify in fields where its particular expertise in ceramic production and in marketing to the construction industry can be properly utilised.

The directors propose to convert the unissued 273,000 seven per cent. redeemed cumulative preference shares of £1 each to 273,000 Ordinary shares of 50p each. They also plan to increase the authorised capital to £2.5m. in order to take advantage of any suitable opportunities to acquire other companies and businesses as and when they arise.

The directors also plan to alter the company's borrowing powers. Under the present provisions the directors are able to borrow up to £3.01m. without the consent of shareholders whereas under the provisions proposed they would be able to borrow up to £11.4m. without consent, he says.

## HIGHLIGHTS

The handful of company results that comprise this week's list is topped by the Royal Dutch-Shell organisation, which puts out its interim statement on Thursday. Also on Thursday there is a half-timer from Hoover, while the following day takes in an interim from Thomas Witter. Glywood puts out its six months' figures on Wednesday and on Monday there are prelims from Clive Discount and Letraset.

## Leisure &amp; General upturn

As reported on July 11 turnover was up from £18.25m. to £18.7m. and pre-tax profit down from £1.25m. to £1m. for the year to March 31, 1975. Dividend total is £3.5462p net (8.1991p).

Meeting, Stoke-on-Trent on August 27 at 12.15 p.m.

The opening ceremony was performed by Lord Hughes, Minister of State, Scottish Office.

including the share of associates, taxable profit of Unidare, a subsidiary of Philips Electrical (Ireland), declined from £0.81m. to £0.66m. during the half year to June 30, 1975.

However, provided there is no further serious deterioration in the home economy and in the construction industry, the chairman, Mr. H. McCreary, is still hopeful that second half results will be "similar" to the first half.

Stated earnings per 25p share for the half year are down from 3.25p to 3.17p and the interim dividend is being held at 2.5p gross. Last year's total was 4.23p.

Taking into account the downward trend in the building industry, the directors are able to borrow up to £3.01m. without the consent of shareholders whereas under the provisions proposed they would be able to borrow up to £11.4m. without consent, he says.

The following are extracts from the circulated statement of the chairman, Mr. D. C. Hathaway presented to the 37th Annual General Meeting held in Birmingham on 1st August.

In anticipation of the continuation in the rate of inflation and the very dangerous effects this has on corporate liquidity the unprofitable elements of the Group's turnover have been removed and cash has been released for more effective use.

The results show an increase in sales of 15 per cent., trading profit of 35 per cent. and pre-tax profit of 32 per cent. An Interim Dividend of 3.77 per cent. has been paid and a Final Dividend of 9.78 per cent. is now recommended. Total dividends for the year are equivalent to 20.67 per cent. gross (1973-74: 18.375 per cent.) and is the maximum allowable.

The Directors recommend a capitalisation issue of one new ordinary share for every eight shares held. An increase in the authorised share capital is necessary to enable the capitalisation issue to take place. It will also create a margin of authorised but unissued share capital which will enable your Company to acquire other businesses for shares if the opportunity arises.

To increase profitable turnover combined with the substantial reduction of overheads, on this basis I would expect the record of satisfactory increased profits to continue.

Your Board are continuing to explore the possibilities of expanding the business outside of organic growth, and it is hoped that something positive will be accomplished in this direction in this current financial period.

The manufacture and marketing of products for the domestic, commercial and industrial heating, ventilating, pollution control and material handling industries, and the automotive industry.

Subsidiary Companies  
Combar Engineering • Granville Industri-Filter  
Granville Tin Plate • Dartmouth Manufacturing  
Lawton Pressings • Lawton Pallets

J. Henry Schroder Wagg & Co. Limited  
120 Cheapside, London, EC2V 6DS

Rone & Pitman, Hurst-Brown,  
City-Gate House,  
39-45 Finsbury Square,  
London, EC2A 1JA

## Continuous Stationery warning

WHILE the 1974-5 results appear encouraging, shareholders of Continuous Stationery, printers of computer stationery, must not be too optimistic of the immediate future, warns the chairman, Mr. C. C. Lansdown, in his annual statement.

The recession which has affected the printing industry from the early part of 1973 has been also reflected in the business forms sector, he states.

He confirms that business activity has been substantially lower since March and this must inevitably be reflected in the 1975-76 results. Indications are that the company cannot look forward to a performance comparable with that of the year just ended, he adds.

As reported on June 26 pre-tax profits increased from £0.5m. to £0.6m. for the year to March 31, 1975. Dividends are up from 1.934p to 2.11p net, the maximum allowed.

The directors estimate that the open market value of an existing "unit" of freehold land and buildings is about £75,000 in excess of book value.

A statement of sources and applications of funds shows a surplus of £20,379, compared with a deficiency of £148,760 the previous year. This total includes an increase in cash balances of £85,379, against a decrease of £20,735.

Meeting, 87 Eaton Place, SW, on August 26 at noon.

## Small income drop at St. Andrew Trust

Total gross income from investments at St. Andrew Trust showed a small decline from £433,682 to £423,723 during the half year to June 30, 1975. This was split as to unfranked income, which rose from £173,202 to £209,013, and franked income, which dropped from £259,780 to £214,643.

Although the company's income from investments has declined, the balance will be available for purchasing new equipment and for working capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

The interim dividend is being held at 2.5p net. Last year's total was 2.25p and investment income £524,351.

## At least £0.39m. seen by Crellon

IN THEIR rights issue document Mr. J. E. Bolton chairman of Crellon Holdings says that in the absence of the opening of any new branches or any further acquisitions sales should not total less than £18.5m. in the current year.

In the event of these sales being achieved net profit for this year will not be less than last year's £288,000, he adds.

Mr. Bolton explains that as a result of the rights issue it is possible therefore that Crellon may increase its shareholding (assuming the Loan Stock to have been converted) to a maximum of 20 per cent. of the company and it is hoped he says that the close links formed between the company and Sonepar will continue to develop for the benefit of both parties. The proceeds of the Loan Stock is an asset of the company and remains available for expansion in Europe.

Meeting, Royal Horseguards Road, S.W. on September 2 at noon.

## Lowe &amp; Brydone financing arrangements

Arrangements have been made by Lowe & Brydone (Fruiters) to secure a £250,000 long-term loan facility with ICFC.

The directors consider that this arrangement, together with the provision of new equipment and an increase in working capital, will enable the group to strengthen its trading position.

The loan carries interest at 16 1/2 per cent. and is repayable by 14 fixed annual instalments of £18,000 each, commencing March 31, 1977, with a further final instalment of £18,000 payable on March 31, 1991; and the company has the option to repay the whole or part of the loan at any time after March 31, 1982.

Net proceeds will be used to reduce the overdraft with Midland Bank and to purchase new equipment and for working capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

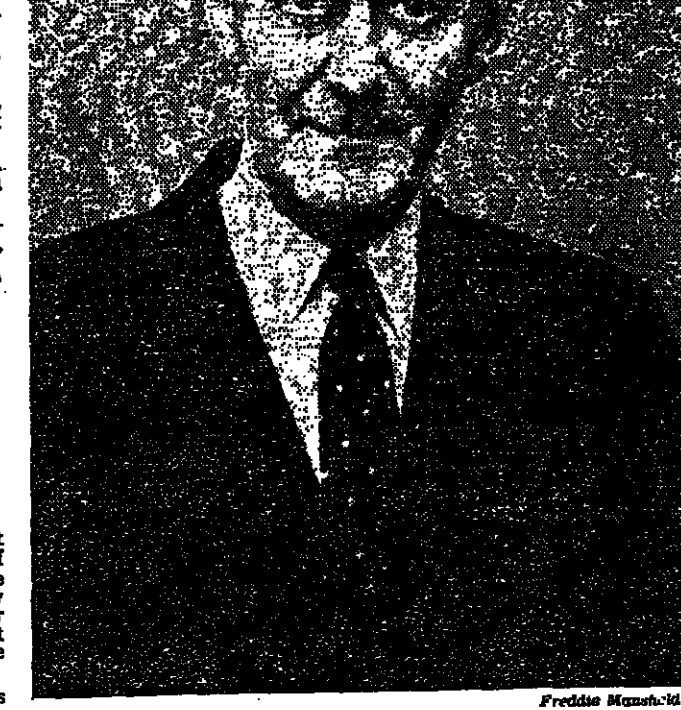
ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.

ICFC will have the option to subscribe for 100,000 Ordinary shares. Agreement is subject to shareholders' approval and an increase in capital.



The Earl of Radnor, chairman of Madame Tussaud's, who is due to announce the company's first-half results to-morrow.

## Clearing the decks at Keyser Ullmann

EXPLAINING THE large write downs in the Keyser Ullmann Holdings accounts for 1974-75, chairman Mr. D. E. Wilde says that the directors have tried to do so to make full provision now—to draw a line which prevents the need for "exceptional" write-offs in the future.

"We would rather find that we have over-estimated our needs than be faced to make a further call on our reserves next year."

"We can show a balance of capital and reserves of £43m. after all our writing down and we shall not need to dip into it unless things go very badly against us," he tells shareholders.

The company has had confirmation that the Support Group is prepared to ensure the continued availability of money for the business of the bank.

Current needs from the Support Group have halved to £35m. and this trend is expected to continue. It is likely that recovery of doubtful debts over the next six to eight months will themselves be more than enough to meet existing commitments to make further advances from the spring of next year the net cash inflow should increase substantially.

As reported on July 19, there was a group loss of £50.31m. in the year ended March 31, 1975 (£12.75m. and the dividend is 1.025p (4.473p). The auditors cannot judge whether the £118m. total provision carried forward will prove excessive or inadequate.

The accounts show £27,000 compensation for loss of office paid to Mr. J. Dellar and Mr. S. Van Gelder, two ex-directors.

Meeting, 25 Milk Street, E.C.4. August 27 at noon.

## FT Share Information Service

The following securities have been added to the Share Information Service appearing in the Financial Times:

London and Aberdeen Investment Trust Preferred (Section: Investment Trusts).  
Whitman Reeve Angel (Section: Industrials (Misc.)).  
Whewy Watson (Section: Industrials (Misc.)).

## DOWGATE AND GENERAL

Following unavoidable delay in the preparation of formal documents, the offer documents to be sent to shareholders and warrant holders of Dowgate and General Investments by Midhurst White Holdings will be posted within 14 days.

## HART, MORRIS &amp; CO.

(Members of The Stock Exchange)  
Wish to announce that from August 4th 1975 their new telephone number is:—  
638 1212 (20 lines)  
16 Finsbury Circus, E.C.2.

## STOCK CONVERSION

Results for Year to 31st March

	1975	1974
Net Revenue before tax	2,407	3,218
Tax	1,224	1,329
Net Revenue after tax	1,183	1,289
Dividend	9.1%	8.26%

Other salient points from Directors' Report and Accounts:  
\* Forecast of net revenue before taxation for current year—around £31m.  
\* Group share of £11m of surplus on Directors' valuation of recently completed investment properties.  
\* Shareholders' funds now in excess of £61m.

A Copy of the Report and Accounts for the year ended 31st March, 1975 will be supplied on application to the Secretary.

THE STOCK CONVERSION AND INVESTMENT TRUST LIMITED  
130, Jermy Street, London, SW1Y 4UP

## R. Leigh-Pemberton to be chairman of Birmid Qualcast

Mr. Robert Leigh-Pemberton, previously deputy chairman, has become chairman of BIRMID QUALCAST. He succeeds the Marquess of Exeter, who has retired as chairman and from the Board. Mr. J. F. Innes has been appointed deputy managing director, and Mr. W. C. C. Jones has resigned on his retirement.

PHILLIPS AND DREW have appointed Mr. Norman Black as general manager designate of their sterling money market department.

Mr. H. P. Hartley has been appointed managing director of BIF BRITISH INDUSTRIAL FASTENINGS, a subsidiary of Otrex Group. He was formerly marketing director of the company.

Mr. D. R. Jenvey has been appointed financial controller of ALLIED POLYMER GROUP. He succeeds Mr. P. D. Lindley who has left the group to take up the position of general manager of Mercedes Benz (United Kingdom).

Mr. R. A. W. Wood has been appointed to the Board of MORICE TOZER AND BECK (HOLDINGS) and continues as secretary.

Mr. Colin Braun has become chairman of SCOTIA INVESTMENTS. Mr. Herbert Topping will now reside in France and relinquished the chairmanship and resigned from the Board to concentrate on his banking and financial interests in Paris.

Mr. Donald T. Westlake has been appointed a director of JOHNSON MATTHEY AND CO. P. M. de la Roche, who has taken up a new appointment in South Africa with Johannesburg Consolidated Investment Company.

Mr. C. G. Ellis has relinquished his directorships of PAGE CALMAN AND CO. and BROWN AND SON on early retirement.

Mr. F. I. C. Herridge has been appointed a non-executive director of the company.

## Brickhouse Dudley

Substantial growth

"The year under review has been extremely satisfactory. This is a result of our policy of expansion in both the Merchanting and Foundry Divisions."

Up to the present all our foundries have been working full time on an extremely short order book. There is every indication of an upturn in the Building and Civil Engineering Industry and if this pattern continues profits for the current six months could be well in line with those of the comparable period of last year. 99

J. GOODRIDGE,  
Chairman and Managing Director.

Year to 31st March	1975	1974	1973
Sales	£'000	£'000	£'000
Profit before tax	13,010	8,228	4,621
Profit after tax	1,501	1,159	843
Ordinary dividend*	672	552	479
Earnings per share	2.86p	2.36p	2.25p
*gross equivalent	4.48p	4.05p	4.06p

Manufacturers and distributors of a complete range of road and inspection manhole covers and frames, gully grates, steel ducting, engineering, heating and builders castings, drainage and water pipes.

## Wheeler's Restaurants Limited

1975 CHAIRMAN'S STATEMENT  
Trading Results

Changing conditions during the year ended 31st March 1975 affected most businesses. We were lucky to hold our own. In fact, our profit rose to about £138,000 after deducting Corporation Tax at 52%. The Board recommend a final dividend of 2.86p per share, this being the maximum permitted under the Government's counter-inflationary measures. The operation of price controls has not permitted the recovery of all increased costs and wages. The present results have been due to improving business and the elimination of losses at Cheltenham. Our liquid position is satisfactory and our Bank overdraft facility is available to finance other acquisitions we have in mind.

We have appointed Mr. George Chi-Wu Hsuan who has been with us for over 20 years to our Board who now comes up for reappointment and he will in conjunction with Mr. Ronnie Emmanuel, under my direction, control the Restaurants and kitchens of our Group. We all welcome the assistance and advice which they give to us.

While current conditions are difficult it is very hard to foresee the future, as I have mentioned before, but I can assure shareholders that we have taken steps to deal with problems that may arise. We hope to anticipate the trend of our business and to sustain our position in the Restaurant world, maintaining our traditional quality, keen prices and efficient service.

Thanks to staff  
My personal thanks to all our staff who work so hard in the kitchens, Restaurants and administration who continue to serve the Company so well.















# 'Little short of scandal'

BY MICHAEL DIXON

IN the values of journalism a controversy is a good thing, and a scandal is a better one. The Reward salary survey figures based on people who became job candidates with the Government-sponsored Professional and Executive Recruitment Agency between February 1 and May 31, which were printed in this column a fortnight ago, have created a controversy. Around 60 people have contacted me to say that the Reward figures are too low to be representative of managerial-type pay in large companies. Last week I asked for guidance as to whether the figures reflected salary levels prevailing in small firms. The result is a lengthy reply from Geoffrey Wood, director of the Sheffield Polytechnic Centre for Innovation and Productivity, which declares: "The plain fact is that nobody knows for sure . . . And he goes on: "One of the recommendations of the Bolton Report in 1971 was that the Small Firms Division of the Department of Industry should collect the statistical information to form a view of the present and future role of small firms. But the wheels of Whitehall grind slowly: the New Earnings Survey figures may well be a more use-ful guide than some of the surveys based on samples from large companies. And in this he certainly has the agreement of Peter Brown, head of the Survey group which publishes the Reward survey. Mr. Brown has written to say the figures are "quite definitely accurate for the universe of salaried staff in the job areas defined in Reward." He then gives statistics to show that the PER figures are, when allowance is made for pay increases, in line with those given in the 1974 New Earnings Survey which, of course, is based on a structured sample of salaried and professional people in employment. "We would definitely dispute your correspondents' statements that our figures are wrong. They simply highlight the fact that virtually all salary surveys based on information from companies, usually large to middle size, which exclude employers such as charities, partnerships, trade associations etc. can be meaningless for the universe of people employed in the occupational areas defined," Peter claims. But if the Government-sponsored agency's figures are right, then surely—as Mr. G. D. Credland of Berkhamsford suggests—there should be an immediate and severe cut in the presently handsome salaries paid to civil servants and other government employees. After all, their pay is supposed to be comparable with that of similar workers elsewhere. It seems odd that, with the controversy at this stage, the Jobs Column is going on holiday until September 15. But readers' further comments intended for publication can, of course, be sent as letters to the Editor.

**SHEERWOOD Medical Industries** wants a marketing manager in Crawley to head all U.K., Europe, Middle East, and Africa marketing (as distinct from sales). Sound marketing experience, probably at group product manager level, in hospital supplies or pharmaceutical industry is needed. Salary around £7,000. Car. Contact John Fulford of Grosvenor Stewart (Bardon Chambers, Infirmary St., Leeds LS1 2HY—telephones 0532 32330 or, at home, Barnetby 772. FINALLY, two from PER (telephone the consultant named at 01-235 7030).

A woman office administrator is wanted by the Post Office Engineering Union. Candidates must have done similar work in a busy office and be able to control a large staff. Base is West London. Salary £4,100. Marion Appel (extension 219). City wants a training manager in Brentford. Candidates must have wide experience in training at all levels. Salary up to £5,000. Roger Field (ext. 322).

# Scottish Assembly policy divides both parties

BY CHRIS BAUR IN EDINBURGH

IT IS BECOMING evident that the Government may be unable to guarantee the passage of the controversial Scottish and Welsh Assemblies Bill which it has promised to produce in the New Year. Last week's announcement by Mr. Edward Short, Leader of the House with special responsibility for devolution, has removed the firm uncertainty about the timetable for introducing the legislation. Yet it has coincided with the threatened collapse of the all-party endorsement of the Assembly in Scotland although devolution characterised every manifesto at the last election. Mr. Short has undertaken to publish early in October a White Paper describing the form and powers of the Assemblies. This will replace and elaborate the first White Paper produced hurriedly before the October 1974 General Election. It will be followed by a Bill which will be given precedence in the Government's programme next year. However, in Scotland the fierce argument about the need for an Assembly has been re-opened with new vigour in both Conservative and Labour ranks. This week-end, two leading Labour devolutionists have given the warping of the consequences of efforts being made by some of their own party colleagues and by Conservative backbenchers to discredit the Assembly legislation before it is presented to the House. On the "unionist" side of the House, a concerted attack has been launched by individual MPs on the expense of the proposed Assembly. Its leading exponents are Mr. Tam Dalyell, chairman of the Scottish Labour Parliamentary Group, and, less mildly, Mr. Iain Sproat (Con., South Aberdeen).

**Rates increase** Mr. Sproat's concern about the possibly "horrifying" cost of an Assembly coming on top of large rates increases just demanded by Scotland's new regional and district authorities had led him to argue that Conservatives should re-think their commitment to the Assembly, "before we get saddled with a monster." Others, however, thought Mr. Sproat is not by any means alone in having profound doubts about the policy. Mr. Alick Buchanan-Smith (South Angus), who is Conservative chief spokesman on Scottish affairs, emphasised that the party was not backing down on its commitments. If those seeking to undermine Labour's simultaneous commitment to an Assembly had their way, they would precipitate a political crisis and sow the seeds of Labour's "swift destruction." Mr. John Robertson (Lab., Paisley) said that both inside and outside the Labour Party "every trick in the book is being used to sabotage the promised legislation. If they cannot stop the legislation they will seek to make a Scottish Assembly powerless and meaningless." The tragic alternative to the transfer of maximum powers from Westminster to an Assembly would be the demise of the Labour Party as a political force in Scotland, Mr. Robertson warned.

**Fierce debate** Mr. Short has undertaken to publish early in October a White Paper describing the form and powers of the Assemblies. This will replace and elaborate the first White Paper produced hurriedly before the October 1974 General Election. It will be followed by a Bill which will be given precedence in the Government's programme next year. However, in Scotland the fierce argument about the need for an Assembly has been re-opened with new vigour in both Conservative and Labour ranks.

# Free seats offer on Concorde test flight

Financial Times Reporter

**FREE SEATS** on a three and a half hour flight in Concorde are being offered by British Airways in an attempt to involve the public in the aircraft's development programme. A ballot has been organised to choose 35 members of the public to take a supersonic day trip planned for August 24. It remains something of a mystery since BA has not yet completed details of the route on what will be a routine test flight in the development programme. The flight is open to all U.K. citizens over the age of seven—except employees of BA. All they have to do is to send a postcard to the airline giving their name, address and telephone number. The ballot closes on Thursday and names of the winners will be announced about 10 days before the flight. Those chosen will have to keep their fingers crossed that the flight actually takes place. British Airways said yesterday: "This development programme is aimed at getting Concorde ready for full passenger service in early 1976, when we will start supersonic operation between London and Bahrain. "With any development programme the unexpected can happen, so we may have to ask our lucky winners to bear with us if the flight is postponed or plans are affected." Applicants should send their postcards to: Concorde, P.O. Box 2000, London SE1 1AA.

## BANKING AND INSURANCE APPOINTMENTS

### CHARTERED LOSS ADJUSTER

#### GENERAL MANAGER

##### £10,000 PLUS

Major international company seeks General Manager to totally organise and direct virtually autonomous U.K. operation being formed and headquartered in London.

This Chief Executive must have proven acceptance by U.K. Insurance Companies and be able to select an outstanding staff of loss adjusters, risk inspection surveyors, loss prevention engineers, and other experts, for all lines of industry representation.

This is a challenging opportunity to head one of the most important elements of an international company's European expansion. The parent company currently has revenues in excess of £50,000,000 from processing over 2,000,000 individual assignments yearly. The staff in the U.K. will be totally national, and entirely oriented to the needs and practices of the U.K. market, with full authority given to the General Manager.

Please reply in full guaranteed confidence to: Box No. E.6198, Financial Times, 10, Cannon Street, EC4P 4BY.

## GENERAL APPOINTMENTS

### STOCKBROKER

Investment Research

Through the expansion of our research department, we need to fill two positions. The jobs offer real opportunities to the successful applicants and involve the detailed analysis of consumer markets and companies' financial data, working closely with a partner in due course this work will be supplemented by interviews with management in industry.

The successful candidates will be aged 27 or under and will have a university degree or similar qualification. Previous City experience is not necessary.

Applicants should write fully to: J. M. Garner, Esq., Vivian, Gray & Co., Ling House, 10-12 Dominion Street, London EC2N 2UX.

### Auditor + Foreign Travel

W. London To £4,750

An internationally famous company manufacturing a wide range of consumer goods, seeks a man who has qualified through articles to join their 3 man London auditing team. Based in West London, you will travel about 1 week in 6 to various locations in Europe (and, less frequently in Africa) where our clients have associated companies. This position is seen by the Company as a springboard to a career in Commercial Indicators, and they therefore seek a man with definite potential for development.

Ian James, 01-584 6767 CRIPPS, SEARS AND ASSOCIATES

## COMPANY NOTICES

**BUILDERS INVESTMENT GROUP**

**NOTICE**

Holders of 7 1/2% Subordinated Debentures due 1976 of Builders Investment Group (Incorporated in England) are hereby notified that the following is a statement of the Debenture holders' meeting held on 20th December 1974 at 10.30 a.m. at the offices of the Company, 25 Abchurch Lane, London EC4N 3DF.

The Debenture holders' meeting was held in accordance with the provisions of the Debenture Trust Deed, dated 10th December 1974, and the following resolutions were passed:

1. That the Debenture holders' meeting be reconvened on 20th January 1975 at 10.30 a.m. at the offices of the Company, 25 Abchurch Lane, London EC4N 3DF.

2. That the Debenture holders' meeting be reconvened on 20th January 1975 at 10.30 a.m. at the offices of the Company, 25 Abchurch Lane, London EC4N 3DF.

3. That the Debenture holders' meeting be reconvened on 20th January 1975 at 10.30 a.m. at the offices of the Company, 25 Abchurch Lane, London EC4N 3DF.

## Conference before Telecom Exhibition

A WORLD telecommunications conference will be held in Geneva on September 30 and October 1, on the eve of the Telecom 75 Exhibition. Mr. Koji Kobayashi, president of Nippon Electric, will look at the development expected over the next ten years; the progress in satellite communications will be assessed by Mr. Walter Luksch, director communication satellite programmes, European Space Agency; and the prospects for telecommunications will be assessed by Dr. N. Rodenburg, vice-president of the Board of management Philips Gloelampenfabrieken.

The conference, organised by the Financial Times in conjunction with the International Telecommunication Union, will also hear contributions from Sir Edward Fennessy, managing director of the Post Office; Professor Dr. Karl Ganzhorn, vice-president systems communication division, IBM; Mr. C. N. Downing, deputy general manager, systems and processing operations, Royal Bank of Canada; and Mr. Björn Lundvall, president, L. M. Ericsson.

## MP attacks lack of EEC recognition for Wales

MR. GYNFOR EVANS, president of Plaid Cymru, yesterday attacked what he called the failure to gain recognition for Wales in the EEC.

He told the 50th anniversary summer school of the party in Pwllheli: "There is no justification for the shameful situation in which Wales is not represented in Brussels while Luxembourg—a small country with a population and area equivalent to that of the Welsh county of Gwent enjoys full representation in the institutions of the Common Market."

Ironically EEC membership had removed one of the favourite arguments used against self-government for Wales that it would entail economic separatism.

Mr. Evans, MP for Carmarthen, said that the founders of Plaid Cymru had been wise to opt for dominion status as the party's constitutional target for Wales.

"Plaid Cymru has always been prepared for self-governing Wales to enter into an association of states in Britain. It is in this direction that we hope to see Europe develop."

## Report is expected soon on BSC melting shop

BY OUR SHEFFIELD CORRESPONDENT

A JOINT management-union study of British Steel Corporation's Temple Borough melting shop at Rotherham is likely to clarify its future role. The interim report from the study team is expected this month.

Temple Borough melting shop came on stream less than 15 years ago and was a world leader in its time. Now, however, it faces growing problems. BSC officials in the Sheffield-based Special Steels Division have indicated that it could be closed, in less than a decade.

The likelihood of increased BSC billet production in the North-East, and the shift of emphasis in South Yorkshire steelmaking to the Brown Field site at Aldwarke is now a threat to the long-term existence of Temple Borough, which employs about 2,000 men.

Local union officials reacted angrily to BSC closure hints earlier this year and an action committee was set up. However, union policy is likely to be shaped by the interim report, when it is published.

Some of the electric arc furnaces at Temple Borough have already been moved to Aldwarke, about six miles away. A primary mill there, one of the most modern in the region, is still not loaded to capacity. The study team has been considering in detail the employment implications of any closure, and the availability of alternative jobs in BSC's South Yorkshire operations.

## Essex housing plan agreed

A £30m. housing and recreation development programme has been agreed between Basildon Council and the Queens Park Consortium headed by Donald Moody, chairman of the housing building group of the same name.

The agreement is to develop 148 acres at Queens Park, Essex, including 38 acres for council housing and a wide selection of private houses ranging up to a cost of about £200,000. There will also be an old people's home, primary school, two churches, health centre, library, shops and a pub.

## Prisoners' plea

AN URGENT six-point plan to reduce Britain's "seriously overcrowded" prison population of 40,000 was put forward by the National Association of Probation Officers yesterday.

The association points out that Mr. Roy Jenkins, the Home Secretary, said recently that the figure reached 40,000 "the situation would approach the intolerable."

The six-point plan is: 1. To reduce the number of prisoners by 10,000; 2. To reduce the number of prisoners by 10,000; 3. To reduce the number of prisoners by 10,000; 4. To reduce the number of prisoners by 10,000; 5. To reduce the number of prisoners by 10,000; 6. To reduce the number of prisoners by 10,000.

## Statement on Redcar likely

MR. ERIC VARLEY, the Industry Secretary, is expected to make a statement this week on the future of the British Steel Corporation's new £150m. complex at Redcar, Teesside.

Mr. Ian Wrigglesworth, MP for Teesside-Thornaby, has tabled a Parliamentary question asking Mr. Varley to state the Government's views on the Redcar complex before the summer recess.

North East concern about the development follows a report by the Welsh Office of the Labour Party, which recommends delaying the scheme in favour of steelmaking at Port Talbot and Shotton.

Mr. Wrigglesworth has asked for the findings of a working party set up earlier this year to examine the economics of modernised steelmaking, and how it will affect development at other BSC works.

When completed, the complex is expected to provide 8,000 jobs directly and create 10,000 more to spin-off industries.

## Labour militants bid to beat policy

By Philip Rawstone

**MILITANT** Left-wingers—believed to be members of the Young Socialists—are attempting to undermine the Government's economic policies by promoting concerted opposition from constituency Labour parties to the £8 pay policy.

A letter is being circulated to sympathisers in the constituencies urging them to move resolutions to the Labour Party conference in October.

The unsigned letter, which includes a model resolution, suggests that co-operation might be sought from some Left-wing MPs, who are already committed to a public campaign against the policy.

Unsympathetic Right-wing Labour MPs, it adds, should be "harassed into action."

The moves are seen as part of a Left-wing bid to secure a massive flood of anti-Government resolutions to the Labour Party conference in October.

A Labour Party spokesman, declining to speculate about the authors of the letter, said yesterday that the style and language were familiar and there was no reason to believe the letter was a forgery.

## Media blamed in survey on crime

**MOST PEOPLE** think there would be less crime if it featured less on TV and in films, newspapers and books, according to a Home Office survey.

Seventy per cent of almost 3,000 people questioned by researchers blamed the amount of crime on the media.

The survey, published in the British Journal of Criminology, showed more than 70 per cent thought the main reasons for crime were get-rich-quick attitudes, the lure of something for nothing, lack of parental control and too many crooks getting away with it.

# Investment Research

Major New York City Bank seeks a qualified Analyst to be located in Brussels, Belgium.

Will work with small team on European situations. European background, preferably with U.S. experience, is desirable.

Language ability: English/French; German a plus.

Write with curriculum vitae to Box F.318, The Financial Times, 10, Cannon Street, EC4P 4BY.

## BUSINESS OPPORTUNITIES

### Diamonds For Investment

Diamond Selection Limited offer 100% cut and polished diamonds for investment. The following is a cross section of prices from their range as at 1st August 1975:

Price	Notes
£250	1.00 carat, G-H, VS1, round brilliant
£300	1.00 carat, E-F, VS1, round brilliant
£400	1.00 carat, D-E, VS1, round brilliant
£500	1.00 carat, D-E, VS1, round brilliant
£600	1.00 carat, D-E, VS1, round brilliant
£700	1.00 carat, D-E, VS1, round brilliant
£800	1.00 carat, D-E, VS1, round brilliant
£900	1.00 carat, D-E, VS1, round brilliant
£1,000	1.00 carat, D-E, VS1, round brilliant

Diamond Selection Limited is a leading diamond dealer in London. Tel: 01-408 8045.

## PERSONAL

### CANCER RESEARCH

is vital. Cancer research is costly. Please send a donation now to the IMPERIAL CANCER RESEARCH FUND, Dept. 1778, P.O. Box 123, Lincoln's Inn Fields, London, WC2A 3PX.

It will be wisely used in the fight against cancer.

### FURNISHED OFFICES

For rent in the City. Tel: 01-499 9213.

### CARPET CLEANING

in South East. Tel: 01-634 0097.

## PUBLIC NOTICES

**CITY OF CARDIFF BILLS** £24m. offered and issued 29.7.75 at an average rate of 10 1/2 per cent due 23.10.75. Applications invited. £18.8m. and total bills outstanding £24m.

**STRAITCHVILLE DISTRICT COUNCIL BILLS** £6m. offered and issued 30.7.75 at an average rate of 10 1/2 per cent due 29.10.75. Applications invited. £6m. and total bills outstanding £24m.

## DE BEERS CONSOLIDATED MINES LIMITED

NOTICE IS HEREBY GIVEN that a general meeting of the Shareholders of De Beers Consolidated Mines Limited will be held at the main office of the company, 25 Abchurch Lane, London EC4N 3DF, on Monday, 11th September 1975, at 10.30 a.m. for the purpose of considering a special resolution increasing the authorised share capital of the company from £100 million to £150 million.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the company.

By order of the board of directors, J. LYONS & COMPANY LIMITED, Company Secretary.

# RAC sees red on traffic lights

BY OUR OWN CORRESPONDENT

RAC OFFICIALS yesterday criticised a new traffic scheme starting in Nottingham at 7.30 a.m. today, which will mean that some car drivers will have to wait up to 10 minutes to get to work.

The new "patience" scheme is designed to provide a smooth flow of buses in special lanes and persuade more drivers to leave their cars at home.

Local authorities throughout the country will be studying the new system which operates on a system of long delay lights—traffic lights on major roads will be on red for up to 10 minutes then change to green for only a few seconds between 7.30 a.m. and 9.30 a.m.

Motorists will be offered free out-of-city parking so they can use local bus services.

The RAC said: "It seems to be a bid to combat road traffic problems in a city where there aren't any. It is simply an attempt to force the motorist off the road and make the local bus service more viable."

"Drivers waiting in a queue of traffic are going to get very annoyed when they see the lights on red and the road ahead clear," the RAC added.

The impatient drivers who do try to jump the long-delay lights will face a maximum £100 fine and licence endorsement.

## CLASSIFIED ADVERTISING RATES

	Per sub-column	Per whole column
Appointments	£9.00	£11.00
Industrial and Business	£9.00	£11.00
Property	£9.00	£11.00
Residential Property	£9.00	£11.00

The minimum depth of display advertisements and of boxed classified advertisements is: Three single column centimetres. Larger advertisements are only accepted in multiples of whole centimetres.

Premium positions available — rates on request. Write to Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4BY.

## BARLOW RAND LIMITED INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

**JOINT ANNOUNCEMENT**

Barlow Rand Limited has purchased from the Industrial Development Corporation of South Africa Limited and its subsidiary companies 253,900 shares in the Northern Lime Company Limited for cash at a price of 530 cents each, ex dividend. The effect of this transaction is that Barlow Rand Limited will hold approximately 30% of The Northern Lime Company Limited.

Barlow Rand Limited, 33 de Bear Street, Braamfontein, Johannesburg 2001, South Africa.

1st August, 1975.









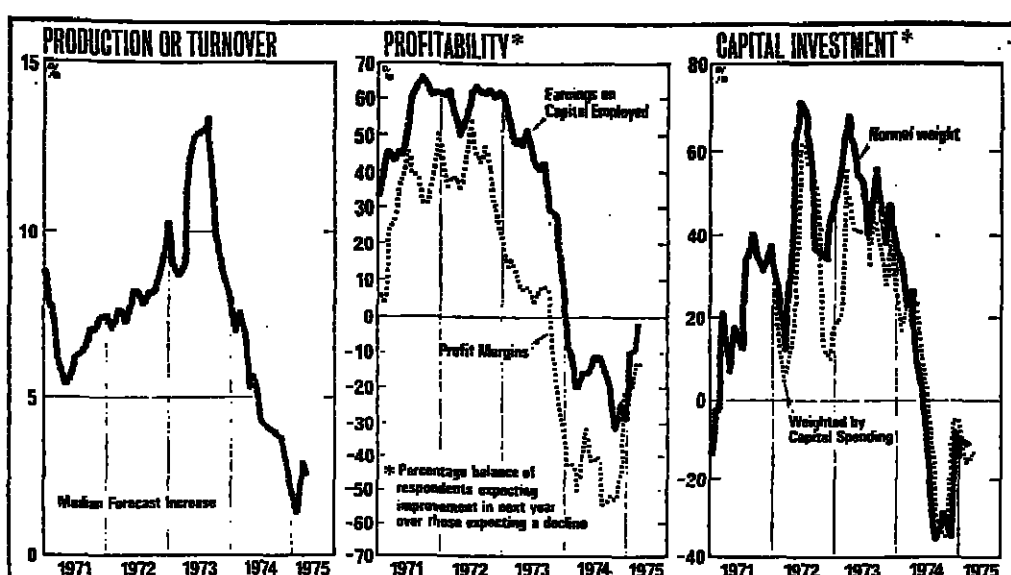


## INDUSTRIALS—Continued

[illegible]



## FT Monthly Survey of Business Opinion



## Pay policy has failed to boost confidence

THE GOVERNMENT'S new pay policy is generally expected to bring about some moderation in the rate of wage inflation, though possibly not to the extent Ministers are hoping. But it has so far failed to dispel industry's mood of pessimism about the general business situation.

This is brought out by the latest Financial Times monthly survey of business opinion which covered companies in building and construction, food and tobacco, and the textile and clothing industries.

The lack of confidence is based in part on scepticism about the effectiveness of the Government's "voluntary" pay measures and partly on the prospect of more inflation, measures deepening of the recession.

In the construction and textile/clothing sectors output is expected to go on falling for at least another 12 months, despite the high hopes still held for export sales. Food companies and retailers say that there are increasing signs of price resistance and of trading down.

Further increases in unemployment are unavoidable. Nearly half the companies interviewed for the all-industry sample during the last four months expect to use less manpower in the coming 12 months. The outlook for capital expenditure is similarly discouraging, especially in terms of volume.

One consequence is that rather fewer companies now expect to have to resort to outside sources of finance. The outlook for a recovery in profitability continues to improve, particularly in relation to earnings on capital employed. The balance of expected "ups" is now almost in balance with the "downs", although if the change in money values were allowed for, the balance would still be substantially negative.

### EARNINGS ON CAPITAL

Those expecting earnings during current year to:	4 monthly moving total				July 1975			
	Apr.-July	May-June	Feb.-May	Jan.-Apr.	Construction	Food & Textiles	Building	Clothing
Improve	33	30	31	23	62	41	5	5
Remain the same	28	27	24	22	14	29	9	9
Contract	35	39	41	52	24	30	86	86
No comment	4	4	4	3	—	—	—	—

© Statistical Material Copyright Taylor Nelson Group Ltd.

### Weather

#### U.K. TO-DAY

SUNNY dry and somewhat warm, but Western areas will be cloudy with scattered thundery showers. London, S.E. and Southern England, E. Anglia, E. Midlands Dry, sunny periods. Wind S.E. light. Max. 30C (86F).

Northern and N.E. England, W. Midlands, North Wales, Lakes Dry with sunny periods and light southerly wind. Max. 29C (84F).

Isle of Man, Borders, Edinburgh, Dundee, Aberdeen, N. Ireland, S.W. Scotland Dry with sunny spells and light southerly wind. Max. 27C (81F).

Channel Isles, S.W. England, S. Wales Bright intervals and occasional showers. Max. 26C (78F).

Central Highlands, Argyll Sunny intervals, dry. Wind S.W. light or moderate. Max. 23C (73F).

North Scotland, Orkney and Shetland Rather cloudy with occasional drizzle. Wind S.W. moderate or fresh. Max. 15C (59F).

Outlook: Very warm with bumpy outbreaks in the South-West spreading slowly north. Dry still in the East.

Lighting-up: London 21.15, Manchester 21.32, Glasgow 21.50, Belfast 21.52.

#### BUSINESS CENTRES

	V day	mid-day	V day	mid-day
America	2	1	2	1
Amsterdam	2	1	2	1
Bombay	2	1	2	1
Buenos Aires	2	1	2	1
Calcutta	2	1	2	1
Canton	2	1	2	1
Cebu	2	1	2	1
Hankow	2	1	2	1
Hong Kong	2	1	2	1
Kobe	2	1	2	1
London	2	1	2	1
Lyons	2	1	2	1
Manila	2	1	2	1
Medan	2	1	2	1
Osaka	2	1	2	1
Paris	2	1	2	1
Rangoon	2	1	2	1
San Francisco	2	1	2	1
Singapore	2	1	2	1
Sourabaya	2	1	2	1
Tokyo	2	1	2	1
Yokohama	2	1	2	1

#### HOLIDAY RESORTS

	V day	mid-day	V day	mid-day
Azores	2	1	2	1
Bahamas	2	1	2	1
Bermuda	2	1	2	1
Canary Islands	2	1	2	1
Cape Verde	2	1	2	1
Curaçao	2	1	2	1
Faroe Islands	2	1	2	1
Fiji	2	1	2	1
French Polynesia	2	1	2	1
Guam	2	1	2	1
Hawaii	2	1	2	1
Indonesia	2	1	2	1
Japan	2	1	2	1
Maldives	2	1	2	1
Marshall Islands	2	1	2	1
Mexico	2	1	2	1
Morocco	2	1	2	1
Nicaragua	2	1	2	1
Philippines	2	1	2	1
Portugal	2	1	2	1
Reunion	2	1	2	1
Seychelles	2	1	2	1
Sri Lanka	2	1	2	1
Taiwan	2	1	2	1
Tanzania	2	1	2	1
Togo	2	1	2	1
Turkey	2	1	2	1
Uganda	2	1	2	1
Zambia	2	1	2	1

S-Sunrise, E-Eclipse, C-Cloudy, R-Rain, T-Thunder.

## Nigeria reopens its frontiers

BY OUR OWN CORRESPONDENT

LAGOS, Aug. 2

NIGERIA has reopened its international airports and land frontiers which were closed on Tuesday, following the military overthrow of General Yakubu Gowon, the former Head of State.

The first incoming flight brought a number of the deposed Government leaders, including Major-General David Ejor, former Army Chief of Staff, as well as top Federal Government officials including those on the Nigerian delegation to the OAU summit meeting in Kampala, Uganda.

Seven British journalists, however, were barred from entering Nigeria. A police spokesman said the journalists had no entry permits when they arrived at Lagos airport yesterday.

Scores of Nigerians, among them senior civil servants, top military officers of the ousted Government as well as those of the new Government, returned to the country yesterday.

The former State military Governors were handed their letters of retirement at a televised ceremony here yesterday.

Meanwhile, newspapers in Nigeria have welcomed the change of government while calling for more dynamic and progressive rule. Special prayers were said in churches here for a successful government.

BRIDGET BLOOM writes: While the calm which characterised the first few days of the new Nigerian regime is continuing, Nigerians are still awaiting news of the full composition of Brigadier Mohammed's government.

The names of the Supreme Military Council—all military or police—were announced on Wednesday but members of the two Federal Government organs, the Federal Executive Council and the New Council of State have yet to be appointed as have the Cabinets of the new State governors.

## Varley statement on foundries aid

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

DETAILS OF Government financial aid for two vital sectors of U.K. industry—foundries and machine tool makers—were given to Parliament by Mr. Eric Varley, Industry Secretary, early this week.

The State cash will be offered as part of the arrangements promised in his Budget speech to the Chancellor, Mr. Denis Healey, when he said £50m. would be made available for modernising important parts of U.K. industry.

It is known that the iron-founders lobby the Government need at least £30m. over seven years if any scheme to promote modernisation and rationalisation is to have a chance of success.

The industry's short comings were particularly noticeable during the last economic boom when shortages of castings provided one of the major bottlenecks and constraints on engineering output.

As a result, exports were lost and imports encouraged. As Mr. Healey pointed out in his speech, the foundry industry is a supplier to many other industries and important to the health of the engineering industry as a whole.

The machine tool manufacturers are apparently not enthusiastic about what they have been told so far of the proposed aid scheme for their industry.

The scheme, in this case devised by the Department of Industry rather than the industry itself, will put the emphasis on product development and investment rather than on the counter-cyclical programme for which the machine tool makers have been pressing. The industry has been assured that the door has not been closed on a counter-cyclical programme and that one could be introduced at some later date.

The machine tool industry is at present deep in recession. Not many companies are working at more than 60 per cent. of capacity and many are producing at below half the possible rate of output.

The home market order situation is as bleak as anyone in the industry can remember for 20 years, and one major company did not receive an order from a U.K. customer last month.

It is only because export markets have held up fairly well that the industry has been able to keep producing even at today's reduced rate.

The sharp downturn has come so quickly after the last "trough" in the demand cycle that it has put many investment projects at risk and the State aid scheme is apparently designed to make sure they will not be shelved or dropped.

## Crown Agents expected to receive more State cash

BY NICHOLAS LESLIE

A FURTHER injection of funds by the Government into the Crown Agents, the semi-governmental agency which acts for Commonwealth countries, is expected so that the Crown Agents may meet heavy losses incurred in property and secondary banking investment.

The Government has already provided £85m. of extra capital, but it has always been clear that this was unlikely to be sufficient to meet the ultimate total of Crown Agents' losses.

The sum was provided after a preliminary report by accountants Coopers and Lybrand, commissioned by Mr. John Cuckney, who was put in to sort out Crown Agents' problems. A further and more detailed report will shortly be presented by Coopers and it is likely that provisions against Crown Agents' reserves will total some £100m. when its audited accounts for 1974—together with a belated audit for 1973—is published around the end of the month.

## THE LEX COLUMN

# When dividends do not matter

Dividend controls depress share prices, but share prices are not necessarily controlled by dividends. This distinction is important at a time when equity issues are seen by the authorities as a justification for special dividend concessions. For the evidence suggests that finance directors who become preoccupied with their company's dividend policies are probably wasting their time.

One of the few inconclusive areas of the Diamond report on the "Income from Companies and its Distribution" lay in its discussion of the relationship between dividends and share prices. The commission received a good deal of evidence to suggest that an increase in a company's dividend payment, although matched by an opposite effect on its retentions, would raise the share price. It hesitantly concluded that the whole question was "rather more complex than some witnesses suggested to us." But it should be possible to take the argument further than this.

At the same time Diamond was careful to stress that when discussing the uncertain effect of changes in dividend payments on share prices, the report was only dealing with the price of particular shares relative to others at the same market level. The impact of a dividend change on an individual company's share price is one thing—and that of changing expectations about the future returns on equity investment generally is quite another.

A low yield may be acceptable when a growth situation is deliberately reinvesting a high proportion of its earnings, but not when there is no prospect of it ever being able to pay on the returns from those investments. Maybe the most depressing feature about dividend controls is the thought that since they cannot be defended logically, there is no logical reason why they should ever be removed.

### Newman Industries

The Newman Industries affair has now reached a wholly unsatisfactory stage. Last week's meeting passed a resolution approving the group's purchase of certain investments from Thomas Poole and Gladstone; the two companies have a common chairman and deputy chairman, Mr. A. Bartlett and Mr. J. K. Laughton. The vote was taken despite the fact that an independent report by Schroders was not ready, and in the face of strong opposition from the Prudential. Meanwhile, another resolution approving the purchase by Newman of shares in TFG from a private company owned by Messrs Bartlett and Laughton was not put before the meeting.

The current position is that the Prudential intends to continue its opposition and that a decision will apparently be made early this week about what future role Schroders will play. The bank clearly sees itself as an adviser to Newman shareholders as a whole. The main positive step which should be taken now is the publication as soon as possible of the full report covering both deals. A key influence could be the Stock Exchange, which has played an ambiguous role so far by passively (mainly by means of takeovers) did typically tend to pay somewhat higher dividends than average, but the differences were only slight.

### Precondition

When it comes to the role played by dividends in fund raising, a study commissioned by Diamond found it impossible to examine whether a high dividend tended to be a precondition of a successful equity issue. It suggested that companies growing most rapidly by equity issues (mainly by means of takeovers) did typically tend to pay somewhat higher dividends than average, but the differences were only slight.

"Grapes cultivated in the famous Charente vineyards... Years of maturing in oak casks from the Limousin forest... Skills handed down for generations blending the finest cognacs... Over 200 years of craftsmanship, tradition, and good taste."

# Sum it all up in one syllable.



**HINE. The connoisseurs' cognac.**

If you want to know more about the story of Hine, find out from: Hine Cognac, 6th floor, Dept. 1 Oxendon Street, London SW1 4EG.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., 10, Abchurch Lane, London EC4N 3DF. © The Financial Times Ltd., 1975